

**Support for Economic Growth and
Analysis (SEGA) and Mandela Economics
Scholars Program (MESP)**

Results Package

674-0321

30 August 1996



**ACTION MEMORANDUM FOR THE SO 4 TEAM LEADER
USAID/SOUTH AFRICA**

DATE: 3 September 1996
FROM: Nompilo Mali, Economist, SO4
SUBJECT: Results Package No. 674-0321, Support for Economic Growth and Analysis (SEGA) and Mandela Economics Scholars Program (MESP)

I. Problem:

You are requested to approve the Support for Economic Growth and Analysis (SEGA) and Mandela Economics Scholars Program (MESP) at a funding level not to exceed \$29,103,501 for an expected duration of nine years.

II. Authority:

Pursuant to the Africa Bureau Delegation of Authority to the Field, dated October 4, 1995 and Mission Order No. 202(A), you have the authority to approve the Support for Economic Growth and Analysis (SEGA) and Mandela Economics Scholars Program (MESP) Results Package comprising this Action Memo and its attachments, and other documentation to be developed during the implementation of activities, including agreements signed with partners and customers, implementation letters and other relevant correspondence, performance monitoring analysis and reports, and other documents related to key decisions and activities approved herein.

III. Background:

This Results Package will serve as the primary implementing vehicle for USAID/South Africa's Strategic Objective Four. Currently there are two grants within the Mission's portfolio (under the Transition Support Fund, 674-0318) which also form a part of this strategic objective.

First, is the grant to the African Institute for Policy Analysis (AIPA) to support their research efforts to help formulate an economic policy framework to support economic growth and equity in South Africa. This grant is being amended in FY 1996 under the amended authority of the TSF activity to add \$186,340 to allow for the dissemination of the research findings. This amendment will complete the planned funding for this activity. Second, is the grant to the National Institute for Economic Policy (NIEP) to provide institutional support for this economic policy and training organization. Mortgage funding of \$292,000 is being provided under the TSF activity to fully fund this grant.

Any further funding for these organizations will come from within SEGA.

Another area of planned activity is the Section 632(a) transfer to the U.S. Treasury for the provision of a long-term resident advisor to work with the Department of Finance. Funds for one year (\$418,140) were transferred in FY 1996. A possible second year extension of this activity would be funded from the funds provided under SEGA and such a transfer would reduce the maximum funding level for this Results Package by a corresponding amount.

IV. Discussion:

a. *RP Activities and How They Contribute to the Results Framework.* The SEGA/MESP RP provides the resources for the implementation of the Mission's Fourth Strategic Objective:

"Improved capacity of key government and non-government entities to formulate, evaluate and implement economic policies to promote economic growth and equity."

Under this Strategic Objective rest the following four intermediate results which define the objective:

IR 1 Human resource development in economics and policy analysis for key government entities;

IR 2 Strengthened government departments that deal with economic policy matters;

IR 3 Strengthened think tanks to formulate and evaluate economic policy options for all economic policy makers; and

IR 4 Strengthened centers of economics training (Centers of Excellence in Economics), especially within the historically disadvantaged institutions (HDI(s)).

These IRs encompass short-, medium- and long-term strategies for achieving the SO. IR two is the short-term component of the strategy, IR one is the medium-term component of the strategy, and IRs three and four are the long-term components of the strategy.

The first and second IRs focus on strengthening the capacity and the participation of the majority population within government on economic policy issues by helping to create a new cadre of U.S. trained economists from the majority population and by strengthening the "work units" where such individuals will apply their training. These IRs provide the necessary components for strengthening the government's capacity to formulate, evaluate, and implement growth- and equity-promoting economic policies. The third IR focuses on strengthening the non-governmental sector so that it may participate in expanding the majority population's participation in policy development. Finally, the fourth IR provides

a sustainable mechanism for meeting the continuing human resource development requirements in the field of economics.

MESP is the primary implementation program for IR one and SEGA is the primary implementation program for IRs two, three, and four.

MESP

Intermediate Result 1. The aim of MESP is to achieve IR one: "Human resource development in economics and policy analysis for key government entities." Experience from around the developing world has clearly shown that growth-promoting economic policies are essential for producing long-term economic growth. For establishing and maintaining such policies, a cadre of economists, in both the private and public sector, is required. The purpose of the training is to strengthen the government's capacity in the formulation, evaluation and implementation of economic policies. MESP is designed to begin training a core group of economists, primarily from the majority disadvantaged population, for government service. Candidates will be selected from current government employees or from current university students and graduates.

MESP is expected to fund 200 person-years of post-graduate training in economics or other courses of study, such as public policy, related to the program purpose and involving a heavy course load of economics. The expectation is that this funding will produce twenty-four (24) masters degree programs and thirty-eight (38) doctoral degree programs. This projection may change, however, based on the needs assessment to be conducted by the Department of Public Service.

Individuals who receive training under this activity will be expected to commit to a period of service with the South African Government equivalent to at least one year for each year of training received, or fully reimburse the costs of the training received. Reciprocally, the government will commit to employing these individuals for the same period of time in jobs which will utilize the skills and knowledge acquired through the training program.

SEGA

1. Intermediate Result Two. To support IR two, "Strengthened government departments that deal with economic policy matters," SEGA will assist the RSA in (1) identifying, formulating and evaluating approaches for increasing equitable economic growth and (2) strengthening the capacity of the government to fulfill this role. Such activities will include: (a) short- and medium-term technical assistance to departments and ministries involved in economic policy formulation and implementation, (b) short-term training for capacity building within key units of Departments or for key individuals within departments or ministries, and (c) research support to inform the economic policy formulation and implementation process.

First, the provision of short- and medium-term technical assistance is intended to support equitable economic growth by providing government entities access to needed technical

expertise. The source of such expertise can be from the United States, South Africa, or other developing countries. This technical assistance will be used to:

- identify policy strategies or options for addressing particular economic problems;
- examine or evaluate the effects and implications of proposed or possible policy strategies or options for addressing particular economic problems;
- assist in the reorganization or creation of policy units within key departments; and
- provide "study trips" for government officials to examine approaches and experiences of other countries in dealing with specific economic problems.

Second, SEGA will help to meet the short-term training needs of key units of departments or key individuals within departments or ministries. The re-opening of South Africa to the world community following the April 1994 elections and the on-going transformation of government and its structures pose a number of challenges to the government. These challenges include the modernization of staff skills in the economic policy area. In addition, the restructuring of departments and the creation of new policy units is likely to require training. To the extent possible, such training will be provided in conjunction with technical assistance activities in order to promote synergy among the various activity sub-components. In general, training will be provided in South Africa, especially when it is being provided for entire units of a government department. In some cases, however, when there is an especially appropriate short-term course which clearly meets the needs of a department or departments, overseas training will be funded for key individuals.

Third, SEGA will provide research support to inform the economic policy formulation and implementation process. While the RSA has a number of contracts in place to fund research on policy questions, these contracts may not be with organizations or groups that are best-qualified to address particular questions. This component of SEGA is designed to finance research efforts on particular topics with such excluded groups. Although not required, it is expected that a significant portion of this sub-component will be implemented through NGOs.

2. Intermediate Result Three. To achieve IR three, "Strengthened think tanks to formulate and evaluate economic policy options for all economic policy makers," the SEGA program will provide support to NGOs involved in economic policy research and which show strong promise of becoming sustainable "think tanks" over the life of this activity. Such support will be executed primarily through: (a) institutional support grants, (b) research support grants, (c) access to short-term technical assistance, and (d) access to short-term training.

3. Intermediate Result Four. To support the attainment of IR four, "Strengthened centers of economics training (Centers of Excellence in Economics), especially within the historically disadvantaged institutions," the SEGA program will coordinate with USAID/SA's Education SO Team. This joint effort will be directed towards strengthening the economics faculty in at least one of the historically disadvantaged universities in order to:

- produce students capable of engaging in appropriate economic policy analysis;
- serve as a training center for staff at other universities;
- serve as a center for the development of curricula for economics training; and
- serve as a center for research on economic policy issues.

The specific support to be provided and the recipient institution(s) will be determined with the Education SO team members.

4. *Long-Term Technical Advisors.* While the long-term advisor activity is not expected to be a major component of SEGA, USAID will finance an advisor from the U.S. Treasury to the Department of Finance. This financing will be for a period of no more than two years. The Advisor will report primarily to the U.S. Treasury, and will be required to provide semi-annual progress reports on the results achieved under the financing arrangement. The Advisor's focus will be primarily on intergovernmental budgeting and finance, but will also provide or facilitate short-term technical assistance on other topics as requested and as allowed by the budget.

5. *General Support.* SEGA will provide funding for support activities, including but not limited to, financing of the contract for the USAID/SA Foreign Service National economist (starting in FY 97), possible buy-ins to the local logistical support contracts, possible short- to medium-term program management expertise with the Department of Finance, and finance meetings of the SO Expanded Team, which is made up of U.S. government employees, development partners, key stakeholders, and customer representatives committed to achieving the SO.

b. *How results will be measured and reported to USAID/SA.* As described in the RP, a set of qualitative and quantitative indicators which capture different aspects of the various types of assistance to be provided. Among others, the Organizational Capacity Survey developed for the Mission by the Human Sciences Research Council will be used as a mechanism for gathering pre- and post-assistance information concerning the assisted organizations.

For examining the overall impact of the assistance provided, the indicator is:

“USAID-assisted individuals and institutions playing a major role in improving the economic environment to promote economic growth and equity.”

Taken together, the intermediate results improve the capacity of South African organizations to develop an economic environment to promote economic growth and equity. If the key institutions and newly trained people are actually able to formulate, evaluate and implement policies, the proof will be found in their ability to help develop an environment that strengthens and promotes growth with equity.

This indicator will be implemented through an annual review process which will (1) develop an assessment of principal aspects of the economic policy environment; (2) based

upon these assessments, identify critical changes in the environment; and (3) assess and evaluate the role of USAID-assisted institutions and individuals in formulating the proposals which were adopted or in the formulation of proposals which were not adopted.

c. ***Conditions Precedent/Covenants.*** The following conditions precedents and covenants are included in the bilateral grant agreement for this Results Package:

Prior to the first disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made, and within 120 days of the signature of this agreement, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID in form and substance satisfactory to USAID:

(a) An opinion of counsel acceptable to USAID that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms, provided, however, that this requirement shall be deemed satisfied upon the submission by the Grantee of a Full Power delegating authority to sign this Agreement;

(b) A statement of the name of the person holding or acting in the office of the Grantee, and of any additional representatives who are authorized to sign documents and communications on behalf of the Grantee, together with a specimen signature of each person specified in such statement;

(c) A statement of the names of the RSA representatives, as identified by the Office of the Executive Deputy President, who will serve on the Operational Steering Committees; and

(d) A statement of the names of the RSA representatives, as identified by the Director General of the Department of Finance, who will assist in management oversight and administration for the implementation of this activity.

Prior to any additional disbursements under the Grant after year one of the program, and for each year thereafter, or to the issuance by USAID of documentation pursuant to which such additional disbursements will be made, and within 120 days of the anniversary date of this agreement, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID, in form and substance satisfactory to USAID, a report describing in detail the nature and form of the host country contribution made by the Grantee during the previous year.

Covenant: The RSA will undertake, through the Department of Public Service and Administration, a survey of government departments involved in the formulation and implementation of economic policies at the national and provincial levels to inform the decision on the appropriate mix of Masters and Doctoral students under MESP. The RSA further agrees that this survey will be completed no later than 31 July 1997 and that it will provide a summary of this study to USAID.

V. Issues:

A. On August 22, 1996, SO Team 4 met to review the Results Package and provide recommendations on a number of issues and their resolution, the most significant of which are summarized below.

Issue 1. In light of staff control numbers given the Mission as part of the R2b process and the Mission's response to those numbers, is the Mission committed to pursuing SO4 and this Results Package?

Discussion: In the process of preparing the Mission's resource request (R2b), USAID/W provided staff control numbers that significantly reduce the size of Mission staff between now and FY 1998. While the Mission has received some relief for fiscal years 1996 and 1997, the control numbers for FY 1998 still represent constraints for the effective management and implementation of the Mission's program. In response to the lowest staffing control numbers, the Mission has proposed a scaling back of the program. For Strategic Objective 4, the proposed action is to continue only with the Mandela Economics Scholars Program. The Mission has submitted a *reclama* in to USAID/W arguing for increased staff numbers for FY 1998 and beyond. The Africa Bureau's position on this *reclama* is favorable to the Mission, but the Bureau's position must be reviewed and approved by the Management Bureau.

As discussed in the RP, the implementation of this RP requires one USDH staff person, one dedicated FSN economist, and assistance from other SO4 team members equivalent to approximately two FSN professionals. This is in addition to the support from the Mission's support offices, i.e., Controller, PPDO, RLA, RCO and EXO. To date SO4 has been fortunate to be able to count on the support and work of staff from other SO teams. If the Mission's request for increased staff numbers, is denied it is unlikely that this level of effort will be able to continue from team members whose "home base" is not SO4. In particular, SO2 (education) staff support need to implement the Mandela Economics Scholars and the Economic Center of Excellence may be problematic. In this case, the management viability of the RP and SO is questionable.

Thus the question at hand is whether or not the Mission should proceed with this RP in its entirety at this time. The options for addressing this question are:

- A. Based on the assumption that the Mission will not get staffing relief for FY 1998 and beyond, this RP should be reduced to only the Mandela Economics Scholars Program and the RP be transferred to SO2 for implementation as proposed in response to the staffing cuts from USAID/W.
- B. The Mission should make a full commitment to SO4 and this RP at this time. In this case, current staffing of one USDH and one FSN will be maintained for the SO and if work loads with reduced staffing levels threaten the management viability of the SO, at least one and up to two FSN positions be transferred to SO4 from another office or SO. Such positions would be financed by a restructuring of the RP budget.
- C. The Mission should proceed with the SO and RP as developed, but recognize that we may need to significantly curtail the RP if staffing relief is not received. In this case, support to the government would be terminated once the initial implementation activities are completed, no further think tank grants would be made in FY 1997 or beyond, and the plans to support a Center of Excellence in Economics would not be pursued. This option presents the Mission with the

possibility of a certain degree of embarrassment by initiating the full activity and then cutting back significantly shortly after such initiation.

Resolution: Given the uncertainty of the situation and the Africa Bureau's support for the Mission's *reclama*, it was decided that option C above represents the most prudent course of action at this time.

Issue 2. Can this RP be formally approved prior to the receipt of the USAID/W cable approving the Mission's Country Strategic Plan (CSP)?

Discussion: Per 95 State 23917 Mission Directors have authority to approve Results Packages that are within the scope of their Mission's approved Country Strategic Plan. USAID/SA Mission Order 202(A), Section III(A)(1)(b) relegates this authority to Strategic Objective Team Leaders.

Strategic Objective Four represents a new element for USAID/South Africa's program. It was included in the CSP submitted to and reviewed by Washington in May 1996. Correspondence with AFR/SA and AFR/DP has indicated that this RP cannot be formally approved until the CSP Review Cable or a cable specifically authorizing the Mission to approve the SEGA/MESP RP has been received.

Resolution: While this was an issue at the time the issues paper was prepared, the CPS review cable has arrived. It explicitly authorizes the Mission to proceed with the development and authorization of the SEGA/MESP Results Package.

Issue 3. Has the Country Checklist been prepared and cleared by USAID/W?

Discussion: The Country Checklist is prepared annually by the Country Development Officer and cleared by the Office of the General Counsel in Washington. The purpose of the checklist is to certify the eligibility, in terms of the requirements of the Foreign Assistance Act and other U.S. laws, of the country in question to receive U.S. assistance. This Checklist is required prior to the initial obligation of funds to a government in each fiscal year. The Mission has yet to receive an approved Country Checklist for South Africa or notification that this checklist has been prepared and approved by the Office of the General Council.

Resolution: It was decided that the SO4 Team should proceed with the finalization of the RP and the negotiation of the bilateral agreement for these activities, but that these items not be signed until the Mission receives the cleared Country Checklist or receives a fax cleared by the Office of the General Counsel indicating that the Country Checklist has been prepared and cleared. [The checklist was subsequently received.]

Issue 4. Has the Congressional Notification cleared Congress without objection?

Discussion: The Congressional Notification for this Results Package was sent to the Hill on 19 July 1996. Thus, if no hold on 3 August 1996. We have yet to receive a cable notifying the Mission that the Congressional Notification cleared without objection; however, we have also not been informed that a hold has been placed on this notification.

Resolution: It was decided that the SO4 Team should proceed with the finalization of the RP and the negotiation of the bilateral agreement for these activities, but that these items not be signed until the Mission receives a cable notifying us that the CN has cleared without objection. [Cable notification of the CN expiration was received later.]

In response to a call for any additional issues not covered in the issues paper, issue number 5 below was raised.

Issue 5. Will the Office of the Executive Deputy President have the administrative capability to implement the activities proposed under this RP?

Discussion: A number of Departments within the Government of the RSA have experienced difficulties in implementing bilateral agreements with USAID due to a lack of staffing and administrative capacity to handle the extra workload. This situation presents a potential bottleneck for SEGA/MESP implementation due to the lead role which must be played by the Office of the Executive Deputy President which does not focus its primary attention on program management.

Resolution: It was decided that the RP should allow for the possible provision of technical support to the Office of the Executive Deputy President to strengthen program management capabilities, if needed.

Subsequent to the RP review meeting in negotiations with the Department of Finance on behalf of the Office of the Executive Deputy President, it was agreed that the Department of Finance would be the implementing agency for this activity. It was also agreed that the Management Contractor will be overseen by a management committee composed of two representatives from the RSA (probably from the Department of Finance and the Office of the Executive Deputy President) and two representatives from USAID. The RP has been modified accordingly. The possibility of providing program management support to the Department of Finance, in lieu of the Office of the Executive Deputy President, has been maintained.

In addition to the above issues, the follow concern was raised and discussed.

Center(s) of Excellence: The successful implementation of this activity will be highly dependent on its conformity with the SO2 program and support of the SO2 Team. At present, little or no clarity exists on what the centers will look like, and in the extreme, whether they will even materialize as SO2 program interventions. Therefore, specifics can not be developed at present on the exact nature of support to be provided to an Economic Center(s), the institution(s) to be selected and the implementation mechanisms to be employed. Further, given the uncertainties of future staffing in the Mission, there is no assurance that critical SO2 staff support will be available to assist SO4 with the implementation of the Economic Center(s) under a low staffing scenario. SO2 has stated that sufficient SO2 Team support will be provided to this RP if the relatively higher staffing level currently being reviewed by the Management Bureau is approved.

In conclusion, the Results Package review recommended that the SEGA/MESP RP be approved and that the recommendations of the review be included in the RP. The meeting

also recommended that, following the incorporation of the recommendations and the required technical clearances included in Mission Order 405, the RP document be submitted to the SO4 Team Leader, USAID/South Africa, for approval.

B. Section 611(a) Requirements

Consistent with Section 611(a) of the FAA, adequate technical and financial planning underlie the proposed Agreement and reasonably firm cost estimates have been established. Such planning is evidenced by the Results Package itself which contains an illustrative listing of activities in support of SO4 and detailed selection criteria, a detailed methodology for implementing the activities and attaining the specified outputs, and a performance monitoring plan to measure and report on results. The Results Package Budget is based on reasonably firm cost estimates for program activities.

C. Special Actions Required.

1. Initial Environmental Examination (IEE): An Initial Environmental Examination (included in the attached Results Package) was carried out on SEGA/MESP, with a Categorical Exclusion approved by the Africa Bureau Environmental Officer on 10 May 1996.
2. Waivers: No waivers are required.

D. Congressional Notification.

A Congressional Notification covering this Results Package was submitted to Congress under Project No. 674-0321 on 19 July 1996, and per STATE 174452 dated 22 August 1996, expired without objection on 3 August 1996.

E. Country Checklist.

The country checklist has been prepared by AFR/SA and cleared by the Office of the General Counsel as certified by the receipt of the e-mail to that effect from Michael Karbeling, AFR/SA, dated 30 August 1996, and by receipt of a faxed copy of the document showing the clearances of AFR/SA, GC and AF/S.

F. Modification of the Results Package per RP Review Guidance.

The SEGA/MESP Results Package has been modified to allow for the possible need to provide implementation assistance to the Department of Finance and to reflect the negotiations with the Government on implementation of the activity.

VI. Recommendation:

That you approve the Support for Economic Growth and Analysis (SEGA) and Mandela Economics Scholars Program (MESP) by signing below.

Approved: Jim Harmon
A/SO 4 Team Leader

Disapproved: _____

Date: Sept. 11, 1996

Attachment:

Results Package No. 674-0321, Support for Economic Growth and Analysis (SEGA) and Mandela Economics Scholars Program (MESP)

CLEARANCES:

Results Package No. 674-0321, Support for Economic Growth and Analysis (SEGA) and
Mandela Economics Scholars Program (MESP)

drafted: RHarber/JHarmon

cleared:

RLA (PWeisenfeld, 8/28/96, draft)

PPDO (JHarmon, 8/23/96, draft)

CONT _____

RCO _____

c:\rharber\docs\sega\wpf\segaact.mem

VI. Recommendation:

That you approve the Support for Economic Growth and Analysis (SEGA) and Mandela Economics Scholars Program (MESP) by signing below.

Approved: _____
SO 4 Team Leader

Disapproved: _____

Date: _____

Attachment:

Results Package No. 674-0321, Support for Economic Growth and Analysis (SEGA) and Mandela Economics Scholars Program (MESP)

CLEARANCES:

Results Package No. 674-0321, Support for Economic Growth and Analysis (SEGA) and Mandela Economics Scholars Program (MESP)

drafted: RHarber/JHarmon R Harber 1 September 1996
cleared:

RLA (PWeisenfeld, 8/28/96, draft)
PPDO (JHarmon, 8/23/96, draft)
CONT ADD [initials] 9/10/96
RCO m 9/5/96
EXO Jim 9/6/96

c:\rharber\docs\sega\wpf\segaact.mem

Support for Economic Growth and Analysis (SEGA) and Mandela Economics Scholars Program (MESP)

Results Package

Table of Contents

List of Tables	v
List of Acronyms	vi
I. Introduction	1
II. Problem Statement	1
III. Relationship to USAID/South Africa's Strategy	2
A. <i>Strategic Objective of the Results Package</i>	2
B. <i>Time-Frame of the Strategic Objective</i>	3
1. <i>The Short-Term Strategy</i>	4
2. <i>The Medium-Term Strategy</i>	4
3. <i>The Long-Term Strategy</i>	5
IV. Customers, Partners, Stakeholders and the Consultation Process	5
A. <i>Customer Definition</i>	5
B. <i>Partners</i>	7
1. <i>Government</i>	7
2. <i>NGOs, University Organizations and Other Groups</i>	9
3. <i>Other Donors</i>	9
C. <i>Consultative Process</i>	10
V. Expected Results	12
VI. Broad Activity Components	12
A. <i>Component 1: SEGA</i>	12

1.	<i>Technical Assistance</i>	13
2.	<i>Short-Term Training</i>	14
3.	<i>Research Support</i>	14
B.	<i>Component 2: MESP</i>	14
C.	<i>Component 3: Long-Term Technical Advisors</i>	15
D.	<i>Component 4: Support for an Economics "Center of Excellence"</i> ..	15
VII.	Illustrative Activities	15
A.	<i>Office of the Executive Deputy President</i>	16
B.	<i>Department of Trade and Industry</i>	16
C.	<i>Department of Finance</i>	16
D.	<i>Department of Labour</i>	16
E.	<i>Financial and Fiscal Commission</i>	17
F.	<i>Department of Transportation</i>	17
G.	<i>Department of Environmental Affairs and Tourism/Department of Water Affairs</i>	18
H.	<i>Department of Agriculture</i>	18
VIII.	Complementary Activities	18
IX.	Feasibility Analyses Summary	19
A.	<i>Procedures for Long-Term Training of Current Public Sector Employees</i>	19
B.	<i>Procedures for Mutual Commitment of the Public Sector and Participants to Future Employment</i>	19
X.	Financial Plan	20
A.	<i>Basic Obligation Schedule</i>	20
B.	<i>Grantee/Host-Country Contribution</i>	20
C.	<i>Budget by Program Component and Projected Expenditures</i>	22
D.	<i>USAID Management Costs</i>	27
E.	<i>Conditions Precedent and Covenants in the Bilateral Grant Agreement</i>	28
XI.	Implementation/Management Plan	29
A.	<i>Personnel Requirements and Responsibilities</i>	29
1.	<i>Management Steering Committees</i>	29

Support for Economic Growth and Analysis (SEGA) and Mandela Economics Scholars Program (MESP)

Results Package

Table of Contents

List of Tables	v
List of Acronyms	vi
I. Introduction	1
II. Problem Statement	1
III. Relationship to USAID/South Africa's Strategy	2
<i>A. Strategic Objective of the Results Package</i>	<i>2</i>
<i>B. Time-Frame of the Strategic Objective</i>	<i>3</i>
1. <i>The Short-Term Strategy</i>	<i>4</i>
2. <i>The Medium-Term Strategy</i>	<i>4</i>
3. <i>The Long-Term Strategy</i>	<i>5</i>
IV. Customers, Partners, Stakeholders and the Consultation Process	5
<i>A. Customer Definition</i>	<i>5</i>
<i>B. Partners</i>	<i>7</i>
1. <i>Government</i>	<i>7</i>
2. <i>NGOs, University Organizations and Other Groups</i>	<i>9</i>
3. <i>Other Donors</i>	<i>9</i>
<i>C. Consultative Process</i>	<i>10</i>
V. Expected Results	12
VI. Broad Activity Components	12
<i>A. Component 1: SEGA</i>	<i>12</i>

1.	<i>Technical Assistance</i>	13
2.	<i>Short-Term Training</i>	14
3.	<i>Research Support</i>	14
B.	<i>Component 2: MESP</i>	14
C.	<i>Component 3: Long-Term Technical Advisors</i>	15
D.	<i>Component 4: Support for an Economics “Center of Excellence”</i>	15
VII.	Illustrative Activities	15
A.	<i>Office of the Executive Deputy President</i>	16
B.	<i>Department of Trade and Industry</i>	16
C.	<i>Department of Finance</i>	16
D.	<i>Department of Labour</i>	16
E.	<i>Financial and Fiscal Commission</i>	17
F.	<i>Department of Transportation</i>	17
G.	<i>Department of Environmental Affairs and Tourism/Department of Water Affairs</i>	18
H.	<i>Department of Agriculture</i>	18
VIII.	Complementary Activities	18
IX.	Feasibility Analyses Summary	19
A.	<i>Procedures for Long-Term Training of Current Public Sector Employees</i>	19
B.	<i>Procedures for Mutual Commitment of the Public Sector and Participants to Future Employment</i>	19
X.	Financial Plan	20
A.	<i>Basic Obligation Schedule</i>	20
B.	<i>Grantee/Host-Country Contribution</i>	20
C.	<i>Budget by Program Component and Projected Expenditures</i>	22
D.	<i>USAID Management Costs</i>	27
E.	<i>Conditions Precedent and Covenants in the Bilateral Grant Agreement</i>	28
XI.	Implementation/Management Plan	29
A.	<i>Personnel Requirements and Responsibilities</i>	29
1.	<i>Management Steering Committees</i>	29

a.	Purpose of the Steering Committees (29)	
b.	Proposed Structures for the Steering Committees (30)	
c.	Criteria for Membership (30)	
d.	Identification and Selection of Steering Committee Members (31)	
2.	<i>USAID</i>	31
3.	<i>Joint Responsibilities</i>	32
B.	<i>Implementation Mechanisms</i>	32
1.	<i>Obligation</i>	32
2.	<i>Sub-Obligation</i>	32
a.	SEGA (32)	
b.	MESP (33)	
c.	Role of the Contractor (33)	
d.	Long-term Advisory Services (34)	
3.	<i>Interim (FY 1996/97) Implementation Arrangements</i>	35
a.	SEGA (35)	
b.	MESP (35)	
C.	<i>Procurement Plan</i>	35
D.	<i>Selection Process and Criteria</i>	36
XII.	Customer Service Plan	36
XIII.	Environmental Sustainability Issues	37
A.	<i>South African Government Environmental Impact Review Process</i>	37
B.	<i>SEGA/MESP Efforts to Avoid Adverse Environmental Impacts</i>	38
XIV.	Performance Monitoring Plan	39
A.	<i>Monitoring at the Strategic Objective Level</i>	40
B.	<i>Monitoring at the Intermediate Results Level</i>	41
C.	<i>Monitoring Intermediate Results of Others</i>	41
D.	<i>Monitoring Sustainability</i>	41

Attachments

- A. Initial Environmental Examination Determination**
- B. Minutes of the Strategic Objective Four Results Package Review of the SEGA/MESP Results Package**
- C. Detailed Estimated Budgets**
- D. Request for Assistance**
- E. Members of the SEGA/MESP Steering Committees**
- F. Congressional Notification**
- G. Cable Approving the USAID/South Africa Country Strategic Plan**
- H. Results Framework for SO4**
- I. Customer Service Plan for Strategic Objective Four**
- J. 1996 Country Checklist for South Africa**
- K. Assistance Checklist**
- L. Examples of Standard Contracts Between the South African Government and Long-Term Participants**

List of Tables

Table 1. Customer, Partner & Stakeholder Definition for SO 4	6
Table 2. Areas of External Partners' Involvement in Relation to Strategic Objective Four	11
Table 3: Obligation Schedule for the SEGA/MESP Bilateral Agreement	21
Table 4: Budget Estimate Summary for SEGA/MESP	23
Table 5. Estimated Commitments for SEGA/MESP (<i>USAID Contribution</i>)	24
Table 6. Projection of Uncommitted Funds for SEGA/MESP (<i>USAID Contribution</i>)	25
Table 7. Projected Grantee Contribution Requirements (<i>US\$ 000</i>)	26
Table 8. Procurement Plan	37
Table 9. Monitoring Framework for Strategic Objective 4	42
Table 10. Monitoring Strategic Objective 4 Intermediate Results	43
Table 11. Monitoring Strategic Objective 4 Intermediate Results of Others	45

List of Acronyms

ACBF	African Capacity Building Foundation
AERC	African Economic Research Consortium
AIPA	African Institute for Policy Analysis and Economic Integration
BNC	South Africa-United States Binational Commission
CAER	Consulting Assistance on Economic Reform
CDE	Center for Development and Enterprise
CIDA	Canadian International Development Agency
CSIR	Council on Scientific and Industrial Research
CSP	Country Strategic Plan
DBSA	Development Bank of Southern Africa
DTI	Department of Trade and Industry
ERU	Economic Research Unit
EU	European Union
EXO	Executive Office
FFC	Financial and Fiscal Commission
FSN	Foreign Service National
GERMS	Growth, Employment and Redistribution: A Macro-Economic Strategy
GNU	Government of National Unity
HDI	Historically Disadvantaged Institution
IAA	Interagency Agreement
IBRD	International Bank for Reconstruction and Development (World Bank)
IDASA	Institute for Democracy in South Africa
IEE	Initial Environmental Examination
IEM	Integrated Environmental Management
IIE	Institute for International Education
IMF	International Monetary Fund
ISER	Institute for Social and Economic Research
IQC	Indefinite Quantity Contract
MESP	Mandela Economics Scholars Program
NBER	National Bureau of Economic Research
NIEP	National Institute for Economic Policy

ODA	Overseas Development Administration
OEDP	Office of the Executive Deputy President
PASU	Policy Analysis and Support Unit
PIO	Project Implementation Order
PIO/T	Project Implementation Order/Technical Services
PSC	Personal Services Contractor
PTMS	Participant Training Management System
RAU	Rand Afrikaans University
RCO	Regional Contracts Officer
RDP	Reconstruction and Development Programme
RFA	Request for Agreements
RFP	Request for Proposals
RP	Results Package
RSA	Republic of South Africa
SACOB	South African Chamber of Business
SALDRU	South African Labour and Development Research Unit
SANER	South African Network of Economic Research
SEGA	Support for Economic Growth and Analysis
SIDA	Swedish International Development Administration
SO	Strategic Objective
STEP	Support for Tertiary Education Project
TELP	Tertiary Education Linkages Project
TSF	Transition Support Fund
UCT	University of Cape Town
UDW	University of Durban-Westville
USAID	United States Agency for International Development
USAID/SA	United States Agency for International Development/South Africa Mission
USDH	United States Direct Hire
UWC	University of the Western Cape

Support for Economic Growth and Analysis and Mandela Economics Scholars Program (SEGA/MESP)

Results Package

I. Introduction

This results package (RP) outlines the basic structure and proposed implementation mechanisms for the Support for Economic Growth and Analysis (SEGA) and Mandela Economics Scholars Program (MESP) activities.

II. Problem Statement

The economic problems of South Africa can be divided into two distinct parts. First, the social history of South Africa has resulted in the basic exclusion of the vast majority of the population from fully participating in the economy and in the economic policy formulation process. Even though South Africa has a large, well trained stock of economists, these individuals are heavily concentrated within the white minority. The shortage of economists within the majority population limits the participation of this segment of South Africa's population in the policy formulation process, even though significant strides towards political empowerment have been made.

Second, the performance of the economy over the past thirty years has exhibited a number of trends which are likely to prove problematical for achieving many of the goals of the Government of National Unity's (GNU's) Reconstruction and Development Programme (RDP). These trends include the following:

- Real per capita incomes currently corresponding to levels of the mid-1960s;
- Extreme distributional problems;
- Declining growth rates over the past thirty years;
- A negative trend in the overall level of productivity over the last twenty years;
- Increasing capital intensity and decreasing utilization of labour in production;
- Inadequate employment creation to prevent significant growth in total unemployment and the unemployment rate; and
- Low levels of net investment and net savings.

Unless reversed, these trends indicate that South Africa's economy is likely to continue on a relatively low-growth path. The implications of such a path would include continuing increases in unemployment since the economy would fail to absorb the new entrants to the

job market and funding problems for the much needed social programs to redress the imbalances inherited from the past.¹

III. Relationship to USAID/South Africa's Strategy

A. Strategic Objective of the Results Package

The SEGA/MESP activity falls under USAID/South Africa's fourth strategic objective:

SO 4: Improved capacity of key government and non-government entities to formulate, evaluate and implement economic policies which will promote economic growth and equity.

Associated with this strategic objective are the following four intermediate results which, when taken together, will achieve the strategic objective, i.e., strengthen the capacity of South Africans to formulate, evaluate and implement growth-promoting economic policies:

- 4.1. Strengthened human resources in economics and policy analysis for key government entities;
- 4.2. Strengthened government departments that deal with economic policy matters;
- 4.3. Strengthened think tanks to formulate and evaluate economic policy options for all economic policy makers; and
- 4.4. Strengthened centers of economics training (Centers of Excellence in Economics), especially within the historically disadvantaged institutions.

These intermediate results represent the key elements for establishing the basic capacity mentioned in the strategic objective statement. The first and second intermediate results focus on strengthening the capacity and the participation of the majority population within government on economic policy issues. The first intermediate result focuses on helping to create a new cadre of U.S. trained economists primarily from the majority population to work on these issues, while the second intermediate result works with government departments to strengthen the "work units" where such individuals will apply their training. Taken together, along with an assumption of adequate funding for the new or revised "work units," these two intermediate results provide the necessary components for strengthening government capacity for the formulation, evaluation and implementation of growth and equity promoting economic policies.

¹For a more detailed discussion see the USAID/South Africa Country Strategic Plan, Annex A— Logical Framework for Economic Empowerment, Annex H on the Economic Situation in South Africa, and the papers referenced in Annex H.

The third intermediate result addresses the capacity question in the non-governmental sector which will provide an expanded access of the majority population to the broader policy process. Finally, the fourth intermediate result provides a sustainable mechanism for meeting the continuing human resource development requirements in the field of economics. Thus, this intermediate result links back to and sustains the first intermediate result over the long-term.

The first intermediate result will be accomplished primarily through the mechanism of the Mandela Economics Scholars Program which will finance post-graduate economics training, primarily for members of the historically disadvantaged population, to improve the capacity of individuals to productively serve in government. This activity is one component of the activities under the South Africa-United States Binational Commission (BNC). The MESP also supports other strategic objectives, such as education and health, since the economists trained will work within all areas of government.

Short-term training will also support intermediate result 4.1. The second and third intermediate results will be achieved through the coordinated provision of technical assistance, short-term training and research support. Finally, the fourth intermediate result under strategic objective four will be promoted through the activities under the Mission's Tertiary Education Linkages Project (TELP) which has as one of its objectives the establishment of a limited number of "Centers of Excellence" in selected disciplines within South Africa's system of historically disadvantaged tertiary education institutions.

SEGA/MESP is the primary implementation activity for the Mission's fourth strategic objective. Due to this, the results associated with this RP directly correspond to those of the strategic objective.

B. Time-Frame of the Strategic Objective

The strategy to meet this strategic objective can also be divided into a three-tiered structure based on the time-frame for the expected impact of the envisioned activities. The short-term portion of the strategy is directed towards providing technical assistance, research support and short-term training to key GNU Ministries and Departments involved in the formulation and implementation of economic policies (Intermediate Result 4.2). The medium-term portion of the strategy is based on U.S.-based human capital development to provide South Africa and the GNU with the trained personnel to replace the services provided under the short-term component (Intermediate Result 4.1). Finally, the long-term component of the strategy focuses on institutional development which will provide organizations which can meet the future research needs and provide the training to sustain the human capital development effort within South Africa (Intermediate Results 4.3 and 4.4).

1. The Short-Term Strategy

The short-term economic support strategy is predicated on providing access to information and advice from the United States, South Africa and other countries in order to help the GNU critically examine policy options and implications. This support can come in at least three forms: short-term technical assistance, research support, and short-term training.

Given the relative isolation of South Africa during the apartheid period, there is often a lack of ready access to international experience and best practices in many areas. Also, due to the relative shortage of economists within the GNU, it is often difficult to acquire the services necessary to assess the implications of possible policy positions. The provision and financing of short-term technical assistance will provide a rapid-response mechanism to meet these needs of key economic divisions of the GNU.

On the research front, there are existing government contracts which can be used to commission research work. These contracts are carried over from the pre-transition government. Thus, the contractors are not always acceptable to the GNU. In addition, there is a desire to be able to call upon the specialized experience of many of the NGOs which continue to function within South Africa. The research support component of the short-term strategy will provide a mechanism to finance research outside of these established mechanisms when required.

Finally, the restructuring and transformation of the civil service is expected to result in the need for short-term training to enable newly created divisions or new staff to efficiently and effectively pursue their mandates. Short-term training support will be limited to critical, technical and management training in support of key departments or divisions. It will not serve as a general training mechanism for the GNU.

2. The Medium-Term Strategy

Much of the short-term strategy discussed above can be seen as a way to fill critical gaps within the GNU which result from the absence or insufficient number of appropriately trained personnel. The medium-term economic strategy within the USAID/South Africa program is to provide U.S.-based degree training in economics for individuals, primary from the disadvantaged community, with a commitment to public service.

The medium-term strategy involves longer-term Masters and Ph.D. training at U.S. universities in relevant areas of economics.² This is the Mandela Economics Scholars

²This is in addition to the sponsoring of fourteen students to attend the Masters in Development Economics program at Williams College. Under an agreement with the Educational Opportunities Council and the National Institute for Economic Policy the Support for Tertiary Education Project (STEP) has funded bursaries for students to attend the Williams College program which is focused on economic development policy issues and questions.

Program which will provide funding for approximately 200 person-years of graduate training in economics. The mix of masters and doctoral degrees is flexible, but the initial division is 24 masters and 38 doctoral degrees. The target population is primarily members of the disadvantaged community who are either already part of government Ministries or Departments, or who are willing to commit to government service.

3. The Long-Term Strategy

The long-term economic support strategy focuses on institutional development. Specifically, it focuses on the development of independent, sustainable non-governmental think-tanks and economics departments in the historically black universities.

The support for and development of independent, sustainable think-tanks will provide sources of economic research and advice for future governments, community organizations, and the private sector. Such organizations can also serve as “policy watch dogs” on the government in case policy directions were to shift in undesirable directions. The key role of such organizations is highlighted by the fact that much of the research support provided under the short-term component described above could well be directed toward this type of organization.

The final component of the economic support strategy is the development of one or two “Centers of Excellence” in economics at South Africa’s historically black universities. The establishment of such centers, along with the integration of the historically white universities where there are already excellent economics departments, will help to meet the continuing need for trained economists in both government and the private sector.

IV. Customers, Partners, Stakeholders and the Consultation Process

There is a clear, distinct and active group of customers and partners working on this related set of problems, i.e., economic training, policies for economic growth and equity, employment and economic education. First and foremost is the Government of National Unity which recognizes the need for sustainable growth and employment creation. Second, there is an active set of non-governmental organizations, universities and other groups who are also interested in the promotion and support of economic growth and equity. Finally, other donors also share this vision. These different sets of customers and partners will play active cooperative roles in achieving the strategic objective and implementing this results package.

A. Customer Definition

Table 1 summarizes the customers, partners and stakeholders associated with the Mission’s fourth strategic objective and the SEGA/MESP activity.

TABLE 1. CUSTOMER, PARTNER & STAKEHOLDER DEFINITION FOR SO 4

Strategic Objective & Intermediate Results	Customers	Partners	Stakeholders
<p>SO-4: Improved Capacity of Key Government and Non-Governmental Entities to Formulate, Evaluate and Implement Economic Policies to Promote Economic Growth and Equity</p> <p><i>The intermediate results defined below are intended to strengthen the quality of information and analysis which is used in the formulation, evaluation and implementation of economic policies. Thus, the ultimate customers for this strategic objective are those individuals who utilize the information and analysis provided in formulating economic policy.</i></p>			
<p>4.1. Strengthened Human Resources in Economics and Policy Analysis for Key Government Entities</p>	<p>Units within Govt. Departments involved in Economic Policies</p> <p>Individuals receiving scholarships</p>	<ul style="list-style-type: none"> ● MESP Contractor ● U.S. Universities ● Dept of Education, Public Service Commission, Dept of Public Administration ● SO-2 ● ODA 	<p>Government of South Africa</p> <p>US Embassy</p>
<p>4.2. Strengthened Government Departments that Deal With Economic Policy Matters</p>	<p>Units within Govt. Departments involved in Economic Policies</p>	<ul style="list-style-type: none"> ● SEGA Contractor ● South African Universities ● ACBF, AERC, AusAid, ODA, SIDA 	<p>Government of South Africa</p>
<p>4.3. Strengthened Think Tanks to Formulate and Evaluate Economic Policy Options for All Economic Policy Makers</p>	<p>NGO and/or University "Economic Think Tanks"</p>	<ul style="list-style-type: none"> ● SEGA Contractor ● South African Universities ● ACBF, AERC, AusAid, ODA, SIDA 	<ul style="list-style-type: none"> ● South African Private Sector ● Government of South Africa
<p>4.4. Strengthened Centers of Economics Training ("Centers of Excellence"), Especially within the Historically Disadvantaged Institutions</p>	<p>Govt, NGOs, Universities, Private Sector & others who employ & use economists.</p>	<ul style="list-style-type: none"> ● SO-1 ● SO-2 ● TELP Contractor ● HDIs ● AERC ● Department of Education 	<ul style="list-style-type: none"> ● Government of South Africa ● South African Universities

B. Partners

This section briefly reviews the activities and positions of the broad group of partners identified above.

1. Government

The Reconstruction and Development Programme (RDP) was the central guiding policy document of the Government of National Unity. It recognizes the need to restructure the economy, increase economic growth, and increase employment growth. It also states that these objectives "will be achieved through the leading and enabling role of the state, a thriving private sector, and active involvement by all sectors of civil society." The basic objectives of the RDP are "to create a strong, dynamic and balanced economy which will:

- " eliminate the poverty, low wages and extreme inequalities in wages and wealth generated by the apartheid system, meet basic needs, and thus ensure that every South African has a decent living standard and economic security;
- " address economic imbalances and structural problems in industry, trade, commerce, mining, agriculture, finance and labour markets;
- " create productive employment opportunities at a living wage for all South Africans; and
- " integrate into the world economy in a manner that sustains a viable and efficient domestic manufacturing capacity and increases our potential to export manufactured products.

"It is only by addressing the above that our economy will be capable of sustained growth."³

The RDP has been supplemented by the Growth, Employment and Redistribution Macro-Economic Strategy (GERMS). The GERMS' vision is summarized as follows:

"As South Africa moves toward the next century, we seek:

- a competitive fast-growing economy which creates sufficient jobs for all workseekers;
- a redistribution of income and opportunities in favour of the poor;
- a society in which sound health, education and other services are available to all; and
- an environment in which homes are secure and places of work are productive."⁴

³*Selected items from Sections 4.2.1 and 4.2.2 of the Reconstruction and Development Programme.*

⁴*Growth, Employment and Redistribution: A Macro-Economic Strategy, pp. 1.*

The GERMS provides the macroeconomic framework for “rebuilding and restructuring the economy...in keeping with the goals set in the Reconstruction and Development Programme.”⁵

The basic elements of this strategy are:

- “ • a renewed focus on budget reform to strengthen the redistributive thrust of expenditure;
- a faster fiscal deficit reduction programme to contain debt service obligations, counter inflation and free resources for investment;
- an exchange rate policy to keep the real effective rate stable at a competitive level;
- consistent monetary policy to prevent a resurgence of inflation;
- a further step in the gradual relaxation of exchange controls;
- a reduction in tariffs to contain input prices and facilitate industrial restructuring, compensating partially for the exchange rate depreciation;
- tax incentives to stimulate new investment in competitive and labour absorbing projects;
- speeding up the restructuring of state assets to optimise investment resources;
- an expansionary infrastructure programme to address service deficiencies and backlogs;
- an appropriately structured flexibility within the collective bargaining system;
- a strengthened levy system to fund training on a scale commensurate with needs;
- an expansion of trade and investment flows in Southern Africa; and
- a commitment to the implementation of stable and coordinated policies.”⁶

This strategic objective and the activities planned for its implementation have been formulated in close consultation and coordination with a steering committee of economists and administrators from key government departments and ministries. This same group will form the core elements of the government portion of the Economic Capacity Strategic Objective Team (No. 4) and will continue to provide guidance throughout the implementation of this strategic objective. Through these mechanisms and the SEGA/MESP Steering Committees (see below), we will be able to ensure that our assistance supports the government’s efforts to promote economic growth, equity and employment creation.

⁵*Growth, Employment and Redistribution: A Macro-Economic Strategy, pp. 1.*

⁶*Growth, Employment and Redistribution: A Macro-Economic Strategy, pp. 2.*

2. *NGOs, University Organizations and Other Groups*

There are several NGOs working on economic issues and economic capacity building. The primary ones with whom USAID/SA is already working include: the African Institute for Policy Analysis and Economic Integration (AIPA) and the National Institute for Economic Policy (NIEP). These two NGOs work on a wide range of issues and topics relevant to the strategic objective, including policy research and advocacy and training activities or other programs for economists from the historically disadvantaged population.

Other groups also work on these and related issues. For example, there are generally research units or groups at the wide variety of South African universities. Examples include: South African Labour and Development Research Unit (SALDRU) at the University of Cape Town (UCT); Development Policy Research Unit at UCT; Economic Research Unit (ERU) at the University of Natal, Durban; the Institute for Social and Economic Research (ISER) at the University of Durban-Westville; and the economics departments at all the South African Universities and Technicons. There is currently an effort underway to form the South African Network of Economic Research (SANER) which will function much like the National Bureau of Economic Research (NBER) in the U.S., supporting, reviewing and promoting high quality, policy relevant economic research.

Many of the major businesses and business groups, e.g., the South African Chamber of Business (SACOB), have their own economists and economics departments. These groups' capacity to function as effective policy advocacy groups are being supported under the Mission's fifth strategic objective. In addition, there are NGOs which support business with research and facilitating activities, e.g., the Centre for Development and Enterprise (CDE). A wide range of NGOs exist which work on sector-specific policy issues.

While the sustainability of these organizations differ, it is clear that each organization is committed to trying to advance issues related in one way or another with this strategic objective. All these groups have their own links to various elements of government and other stakeholders. As a result, they will be able to assist in the achievement of this strategic objective. A selection of these groups have been involved in the development and formulation of this strategic objective and will be involved in its implementation.

3. *Other Donors*

There are a number of donors which have worked or continue to work in the various areas related to this strategic objective.⁷ Table 2 summarizes the broad areas of their

⁷ *Attachment 2 to Annex A.4 of the USAID/South Africa Country Strategic Plan provides a more detailed discussion of the economics-related activities of the various donors.*

involvement. A key issue will be the continued coordination with the other involved donors to ensure that we avoid duplication and ensure the broadest coverage of our efforts. In general, this has not been a problem in the past and will be continued through continuing efforts to coordinate donor programs, as well as the inclusion of relevant donors on the expanded team for this strategic objective.

C. Consultative Process

These customers and partners have been involved in the development of strategic objective four and this RP. This process began with the preparation of a series of analytical papers on South Africa's economy, economic performance and economic problems.⁸ These papers were then and continue to be widely distributed to interested and relevant individuals within South Africa's University, NGO, Donor and Government communities. They also served as the basis for discussions with these individuals and groups concerning the country's economic problems and issues, as well as, what might be needed to address these problems.

Over the course of these discussions, it became clear that the "non-project assistance approach" of leveraging policy change would not work in South Africa, both due to the relative size of the USAID program to the economy and due to the strong desire of South Africans to guide their own policy framework. This "finding" was a key element in deciding how to structure any assistance in the area of economics.

Following and based upon these discussions, the basic outline and content of what became the Mission's fourth strategic objective was developed. These ideas were then discussed with the previous group of people and organizations, plus a wider range of government officials and others. This process of wide ranging discussions resulted in some modifications of what had initially been proposed and in the ultimate validation of the basic structure and content of Strategic Objective 4.

The design process for this RP, used the same broad consultative process. Specifically, individuals representing customers and partners participated in a series of meetings which established many of the key parameters and structures of this results package. As discussed below, a continuing consultative process is included through the existence of the SEGA/MESP Steering Committees which will be composed of key government and civil society representatives, along with USAID/South Africa representatives. In addition, the Expanded Team for this strategic objective — whose meetings will be financed under this results package — will continue to provide necessary feedback and insights, as well as assistance in tracking the critical assumptions associated with the strategic objective.

⁸*These papers form the basis for Annex F of the USAID/South Africa Country Strategic Plan.*

TABLE 2. AREAS OF EXTERNAL PARTNERS' INVOLVEMENT IN RELATION TO STRATEGIC OBJECTIVE FOUR

External Partner	USAID-Focus Areas (IRs)				Non-USAID-Focus Areas			
	Training	Govt. Capacity	Think Tanks Capacity	Training Centers	Policy Process	Re-search	NEDLA C-Like Processes	Labour Unions
African Capacity Building Fund (ACBF)			X					
African Economic Research Consortium (AERC)			X	X		X		
Australia			X		X		X	X
Canadian International Development Agency (CIDA)		X			X		X	
European Union (EU)								X
Netherlands								X
Overseas Development Administration (ODA)	X	X				X		
Sweden (SIDA)			?					
IMF								
World Bank	X	X				X	X	

V. Expected Results

The expected results from this results package include a number of items. One set of these results are quite specific and are expected to be achieved with a high degree of certainty. These results correspond to the strategic objective's intermediate results 4.1 through 4.3; thus, they include the following:

- 4.1. Strengthened human resources in economics and policy analysis for key government entities;
- 4.2. Strengthened government departments that deal with economic policy matters; and
- 4.3. Strengthened think tanks to formulate and evaluate economic policy options for all economic policy makers.

Working in conjunction with USAID/South Africa's Tertiary Education Linkages Project, the SEGA project will also support the fourth intermediate result of strategic objective 4, i.e.,

- 4.4. Strengthened centers of economics training (Centers of Excellence in Economics), especially within the historically disadvantaged institutions.

The achievement of these results and of the strategic objective will contribute to, but not guarantee, much higher level and consequently higher risk results which are not within the direct control of the strategic objective, let alone this set of activities. These results correspond to levels above the actual strategic objective, and lie at or below the Mission's sub-goal. These items are:

- An improved economic policy environment which is more conducive to increased economic growth with equity; and, at an even higher level,
- Increased economic growth and equity.

VI. Broad Activity Components

The Support for Economic Growth and Analysis (SEGA) activity will be the delivery mechanism for (1) the short-term component of the economic strategy outlined above; (2) the NGO support sub-component of the long-term part of the strategy; and (3) the Strategic Objective 4 contribution to the "Center of Excellence" in economics. The Mandela Economics Scholars Program (MESP) activity will be the delivery vehicle for the Ph.D. training in economics under the medium-term component of that strategy.

A. Component 1: SEGA

SEGA will provide the following services:

-
- (1) Support to NGOs involved in economic and economic policy research and which show strong promise of becoming sustainable "think tanks" over the life of this activity;
 - (2) Support to South Africa's Government of National Unity to (a) identify, formulate and evaluate approaches for increasing equitable economic growth and (b) strengthen the capacity of the government to fulfill this role; and
 - (3) Provide funding for support activities such as the financing of the contract for the USAID/SA FSN economist (starting in FY 97), possible buy-ins to the local logistical support contracts, finance meetings of the Strategic Objective Four Expanded Team, etc.

Support under the first set of services will be executed primarily through

- (1.a) institutional support grants;
- (1.b) research support grants; and
- (1.c) access to short-term technical assistance and training.

The second set of services listed above can be further sub-divided into the following sub-components:

- (2.a) short- and medium-term technical assistance to departments and ministries involved in economic policy formulation and/or implementation;
- (2.b) short-term training for capacity building within key units of Departments or for key individuals within departments or ministries; and
- (2.c) research support to inform the economic policy formulation and implementation process.

1. Technical Assistance

The provision of short-, medium- and long-term technical assistance is intended to support the economic policy formulation and implementation process by providing access to needed technical expertise. The source of such expertise can be from the United States, South Africa, or other developing countries (USAID's geographic procurement code 935). The general uses of this assistance will be to:

- (2.a.i) identify policy strategies or options for addressing particular economic problems;
- (2.a.ii) examine or evaluate the effects and implications of proposed or possible policy strategies or options for addressing particular economic problems;
- (2.a.iii) assist in the reorganization or creation of policy units within key departments; and
- (2.a.iv) provide "study trips" for government officials to examine approaches and experiences of other countries in dealing with specific economic problems.

2. Short-Term Training

The re-opening of South Africa to the world community following the April 1994 elections and the on-going transformation of government and government structures pose a number of challenges to the government. These challenges include the upgrading/modernization of staff skills in the economic policy area. In addition, the restructuring of departments and the creation of new policy units is likely to require training. This sub-component of SEGA will help to meet the short-term training requirements in these situations. To the extent possible, such training will be provided in conjunction with technical assistance activities in order to promote synergy among the various activity sub-components.

In general, training will be provided in-country, especially when it is being provided for entire units of a government department. In some cases, however, when there is an especially appropriate short-term course overseas which clearly meets the needs of a department or departments, overseas training will be funded for key individuals.

3. Research Support

While the South African Government has a number of contracts in place to fund research on policy questions, these contracts are not necessarily with organizations or groups that may have the best qualifications or experiences to address particular questions. This component of SEGA is designed to be able to finance research efforts on particular topics with such excluded groups. While it is not a requirement, it is expected that a significant portion of this sub-component will be implemented through NGOs.

B. Component 2: MESP

Experience from around the developing world has clearly shown that growth promoting economic policies are essential for producing long-term economic growth. For establishing and maintaining such policies, a cadre of economists, both inside and outside the public sector, are required. The MESP activity is designed to begin training a core group of economists, primarily from the historically disadvantaged population, for government service.

The activity is expected to fund 200 person-years of post-graduate training in economics. Currently, the expectation is that approximately 38 people will be trained to the doctoral level and 24 people to the masters level (equivalent to 12 doctoral degrees). This degree mix will be reviewed over the course of program implementation and in response to an economics training needs assessment which will be conducted by the Department of Public Service and Administration. Candidates will be selected from current government employees or from current university students/graduates. Individuals who receive training under this activity will be expected to commit to a period of service with the South

African Government equivalent to at least one year for each year of training received, or fully reimburse the costs of the training received. Reciprocally, the government will commit to employing these individuals for the same period of time in jobs which will utilize the skills and knowledge acquired through the training program.

C. Component 3: Long-Term Technical Advisors

While the provision of long-term advisors is not expected to be a major component of SEGA, an advisor from the U.S. Treasury to the Ministry of Finance will be financed for a period of no more than two years.

The Treasury Advisor will report primarily to the U.S. Treasury, who will be required to provide semi-annual reports on progress and results achieved under the financing arrangement. This advisor's focus will be primarily on intergovernmental budgeting and finance, but will also provide or facilitate short-term technical assistance on other topics as requested and as allowed by the budget.

D. Component 4: Support for an Economics "Center of Excellence"

SEGA will also serve as the vehicle for the contribution of Strategic Objective Four to the "Center of Excellence" in economics which will be pursued in cooperation with Strategic Objective Two.

This joint effort will be directed towards strengthening the economics faculty in at least one of the historically disadvantaged universities. The purpose of this strengthening will be to provide a faculty which will be able to:

- produce students, both graduate and post-graduate, capable of understanding the results of economic policy analysis and capable of engaging in appropriate economic policy analysis;
- conduct short courses to enhance the understanding of economic policy analysis by non-economists involved in the policy making process ;
- serve as a training center for staff at other universities;
- serve as a center for the development of curricula for economics training; and
- serve as a center for research on economic policy issues.

The specific support to be provided and the recipient institution(s) will be developed in conjunction with the appropriate staff from Strategic Objective Two.

VII. Illustrative Activities

The following brief illustrations of possible activities are items which came up during the consultation process described above. They do not represent commitments of assistance

and are not intended to be exhaustive. Instead, they are provided as examples of the type of activities which could be financed under this activity. Selection of activities will be based upon specific criteria and recommendations by the operational and policy steering committees for the activities.

A. Office of the Executive Deputy President

As part of the Government's renewed efforts to promote economic growth and improved equity, it has been proposed that the Office of the Executive Deputy President (OEDP) serve as a center for the coordination of economic policy. If this idea or some variant of it is approved, it is expected that short-term technical assistance and short-term training will be required.

Since the OEDP will be the initial center for the SEGA and MESP activities, it may be necessary to provide assistance to this office to support of implementation of SEGA/MESP. If required, such support can be provided under this activity.

B. Department of Trade and Industry

The research and analysis elements of the Department of Trade and Industry (DTI) have been restructured into three units. The first unit deals with industry specific issues and is composed of industry specialists. The second unit deals with trade related analysis, e.g., issues associated with the Southern African Customs Union, the General Agreement on Trade and Tariffs, the World Trade Organization, etc. The third unit, the Policy Analysis and Strategy Unit (PASU), deals with the formulation of longer-term trade and industrial strategies and its supporting analyses. DTI prepared a proposal for the establishment and operation of this unit with a three year budget of approximately US\$ 850,000 when the purchase of data processing equipment and related furniture is excluded. The remaining line items include the following: subscriptions to on-line data services; a library system; purchase of books and periodicals; training; secondment/visits of local and foreign experts; and policy seminars. Most, if not all, of these items would fit within the scope of SEGA.

C. Department of Finance

The Financial Planning Directorate of the Department of Finance is considering the establishment of a debt tracking and analysis unit to manage the large debt of the South African Government. While only in its concept stage, the establishment of such a unit would require much of the same type of assistance as the DTI's PASU, i.e., technical assistance and training.

D. Department of Labour

The Department of Labour has the responsibility of collecting and publishing labour related data. The current system of collecting and processing these data has recognized defects. The improvement of this data system and service is recognized as a key need and requirement to assist in the Department's efforts to address labour policy and employment issues. Thus, the Department is interested, perhaps in cooperation with the U.S. Department of Labor/Bureau of Labor Statistics, in restructuring and reforming its data collection and processing services to better meet the country's needs. Possible assistance includes short-term technical assistance to advise on appropriate ways to restructure and other topics and short-term training in implementing new systems and procedures.

In addition, the Department's Research and Policy Directorate is interested in establishing a series of research activities to help establish the basis for providing empirical information for answering key questions affecting the debate over the formulation of labor and labor market policies and to provide the basis for evaluating the impact of policy changes already introduced or planned for introduction.

These research activities would be expected to generate some publishable outputs, provide inputs to internal policy development by the Department of Labour, and support the development of capacity for policy-oriented research in South Africa both inside and outside the government.

E. Financial and Fiscal Commission

The Financial and Fiscal Commission (FFC) is tasked with developing the fiscal relations between the levels of the new governments in South Africa. As a result, it considers a wide range of topics and issues, many of which have been addressed in different ways by different countries. The primary need identified by the FFC in discussions with some of its members was access to short-term technical assistance to help define and evaluate the experiences of other countries in dealing with specific issues. Thus, the types of assistance which could be provided under SEGA would be the financing of experts from other countries (often from other developing countries) or of trips by commissioners to specific countries to assess their processes and structures.

F. Department of Transportation

The Department of Transportation identified several possible activities which would fit under either SEGA or the MESP activities. Concerning the MESP activity, the department has some interest in Ph.d. training in transport economics, but their main focus is at the Masters Degree level. Specifically, the department would like to work with a U.S. institution to slightly modify an existing transportation economics program for approximately ten students over two years.

The department would also like to have some short-term training courses (10-14 days) for its different sub-sectors. Another possible area of cooperation is in supporting the research for the Department's long-term strategy development (*Vision 2020*). Finally, there is a need for periodic short-term technical assistance to respond to a changing set of policy issues, including privatization.

G. Department of Environmental Affairs and Tourism/Department of Water Affairs

Within the Departments of Environmental Affairs and Tourism and Water Affairs are sections working with the Council on Scientific and Industrial Research (CSIR) on applying economic analysis to environmental issues and developing the data and analytical frameworks to allow for a better incorporation of environmental impacts and issues into the analysis of broader policy issues and development plans.

While no specific requests have been received at this time, there is a possibility that SEGA could provide technical assistance to help develop the basic data and analytical frameworks for modelling the environmental impacts of revised economic policies and developmental strategies. Following that SEGA could also provide short-term training in these new techniques and methods.

H. Department of Agriculture

The Department of Agriculture has indicated that it will be interested in receiving assistance to upgrade and transform its current policy analysis capacity. The scope of the Department's authorities have broadened and their customer base is shifting. As a result, it is expected that short-term training and related technical assistance is likely to be required.

VIII. Complementary Activities

The Africa Bureau's Equity and Growth through Economic Research (EAGER) Project supports the building of partnerships between in-country economic research groups (universities and NGOs), policy elements of the government, and appropriate US researchers and practitioners. EAGER has two general themes: (1) Trade Regimes and Growth; and (2) Public Sector Strategies for Growth and Equity. Each of these task groups are working in South Africa and will provide a complementary set of analytical and technical resources and skills development.

Two on-going activities under the USAID/South Africa Transition Support Fund (TSF) form integral parts of SO4's third intermediate result. These grants to the African Institute for Policy Analysis (AIPA) and the National Institute of Economic Policy (NIEP) will continue to be funded under TSF, but will be managed by the SO4 team.

IX. Feasibility Analyses Summary

The key feasibility question for this program is to ensure that appropriate mechanisms exist to (1) remove current public employees from service for long-term training without sacrificing their employment status; and (2) to commit and secure appropriate public sector employment for participants selected from outside of the public service.

A. Procedures for Long-Term Training of Current Public Sector Employees

The rules and regulations of the South African Government, as administered by the Department of Public Service and Administration, establish procedures for public employees to receive concurrence and leave for formal training.

Application is made by the employee to his/her employing Department. Once such leave is approved by the employing Department, a formal contractual agreement is entered into between the Department and the employee. A standard term of these contract is that the employee agrees to continue working for the government for a length of time equivalent to the length of training received, or if the employee defaults on this condition, to fully reimburse all costs of the training received. Other terms of these contracts vary with the government picking up the costs of the training to the employee paying these costs, but continuing to receive his/her salary and benefits while engaged in long-term training. Attachment L contains samples of these boilerplate contracts.

Based upon these procedures, there will not be a problem in securing participants from within the public service for the MES Program.

B. Procedures for Mutual Commitment of the Public Sector and Participants to Future Employment

The South African government has a history of providing bursaries to individuals who are interested in entering into the public service. While the application and selection processes vary from those envisioned for the MES Program, the contractual arrangements between the government and the participant will be able to serve as the mechanism to "bind" MESP participants who are not currently working in the public service to future employment in South Africa's public service.

Once an individual has been selected to receive a state bursary, a formal contractual agreement is signed by the participant and the state. In this contract, the participant agrees that he/she will complete his/her studies and work in the public service for a period of at least one year for each year of supported studies received. If for whatever reason, the participant is unable to fulfill this service obligation, he/she will reimburse the state for the full costs of the bursary.

Attachment L contains a sample of the boilerplate contract used to bind the recipients of state bursaries to the public service. As in the case of current employees of the public service, these established procedures provide an established and tested method to establish the mutual employment commitment between the selected participants and the South African public service.

X. Financial Plan

A. Basic Obligation Schedule

Table 3 below provides the basic obligation schedule for the SEGA/MESP activity. Obligations will take place over the FY 1996 through FY 2003 period. In addition to the FY 1996 funds to be obligated through the SEGA/MESP bilateral agreement, an additional \$896,499 are being obligated for activities related to Strategic Objective Four. A total of \$478,360 is being obligated through the Transition Support Fund (TSF, 674-0318) and \$418,140 is being transferred to the United States Department of the Treasury via a Section 632(a) transfer agreement.

The funds obligated in the Transition Support Fund are being used to complete the funding of two on-going grants to non-governmental organizations involved in economic policy formulation and policy related research. The funds transferred to the U.S. Treasury are being used to provide a long-term advisor to the South African Department of Finance to assist with the formulation of new budget and inter-governmental finance systems.

With the possible exception of a second year for the U.S. Treasury advisor, all future year funds are expected to be obligated through amendments to the SEGA/MESP bilateral grant amendment.

B. Grantee/Host-Country Contribution

Under each of the sub-components of these activities, grantee/host-country or partner contributions, in-cash or in-kind, will be identified and tracked to equal at least one-third of the USAID contribution for the appropriate items indicated above or one-fourth of the total cost including these contributions, of this results package. A grantee/host-country contribution will not be required on (1) funds transferred to other U.S. Government entities under Section 632 of the Foreign Assistance Act; and (2) on funds dedicated to support services which primarily benefit USAID/South Africa and support USAID/South Africa's implementation of these and related Strategic Objective Four activities. Table 4 below shows the derivation of the \$8,996,200 host-country contribution required for this activity. Table 7 presents annual projections of these requirements based on the projected levels of commitments under the various components of the program. [Note: Host - country contribution is not required for the Treasury Advisor (not part of bilateral) and Support Services elements (does not directly benefit GNU)].

Table 3: Obligation Schedule for the SEGA/MESP Bilateral Agreement

Thousands of United States Dollars

<i>Program</i>	<i>United States Fiscal Year (October-September)</i>								<i>Total</i>
	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	
Support for Economic Growth & Analysis (SEGA)	2,318.5	2,350.6	2,345.9	2,948.7	2,755.1	2727.7	2,716.6	2,680.2	20,843.3
Mandela Economics Scholars Program (MESP)	1,500.0	1,500.0	1,500.0	1,500.0	576.1	0.0	0.0	0.0	6,576.1
Support Services	85.0	149.4	154.1	251.3	168.8	272.3	283.4	319.8	1,684.1
Total	3,903.5	4,000.0	4,000.0	4,700.0	3,500.0	3,000.0	3,000.0	3,000.0	29,103.5

- Notes:*
- 1) *The division of funds indicated above are indicative only.*
 - 2) *In fiscal year 1996 an additional US\$896,499 are being obligated in support of Strategic Objective 4 purposes. US\$478,340 are being obligated under the Transition Support Fund to support Intermediate Result 4.3, and US\$418,140 are being transferred to the U.S. Treasury in support of Intermediate Result 4.2.*
 - 3) *The total for fiscal year 1997 includes funds for a possible second year of the U.S. Treasury program. If this program is continued, the funds would again be transferred to the U.S. Treasury and would not be obligated under the SEGA/MESP bilateral grant agreement.*

The GNU will provide an assurance of its host country contribution prior to the obligation of funds under the proposed bilateral agreement. As funds provided under this results package are obligated incrementally, the GNU will provide an assurance of an additional contribution equivalent to one-third of the additional obligation of U.S. Government funds. GNU assurances will discuss in general terms the nature of the host country contributions. This will satisfy the requirements of section 110 of the Foreign Assistance Act of 1980 (as amended).

Implementation of this requirement will be managed through a two track process. For the host country contribution from the Government of South Africa, it is expected that the bulk of the contribution will come from budgetary expenditures for activities supporting the goal of Strategic Objective Four. Such expenditures would include items such as 1) research in support of the formulation of economic and sectoral policy; 2) staff training for departmental directorates involved in the formulation and/or implementation of economic or sectoral policy; and 3) other such capacity strengthening efforts of appropriate governmental departments. Appropriate government departments for these purposes include the Department of Finance, Department of Trade and Industry, Department of Labour, Department of Agriculture, Department of Transportation, etc. Annual reports on such governmental expenditures will be required as a condition precedent for disbursement of incrementally provided funds under this results package.

For the non-governmental (other grantee) portion of the activities under this results package, e.g., support for economic think tanks (IR 4.3), the satisfaction of the counterpart contribution requirement will be managed on a sub-activity by sub-activity basis. This implies that as each sub-activity is formulated, the host-country or partner contribution will be identified. Sub-activity reporting will be carried out on an annual basis and will include the tracking of such contributions.

The Strategic Objective Four Team Leader, or designee, will be responsible for devising an appropriate management and tracking system, assuring the timely receipt of reports, validating the adequacy of contributions, and ensuring that results package files are properly documented.

C. Budget by Program Component and Projected Expenditures

The following tables present a more detailed budget and the projected commitment pattern for the activities. Attachment C contains a more detailed budget and shows the derivation of these estimates. Table 5 presents the expected commitments by U.S. fiscal year and major programmatic component, while Table 6 contains the analysis of the projected uncommitted funds for the MESP and SEGA activities and for the entire results package. The difference between the commitment figures (Tables 5 and 6) and the obligation levels (Table 4) represents the FY 1996 transfer of funds to the U.S. Treasury for the provision of a long-term advisor. Finally, Table 7 shows how the government portion of the host country contribution is expected to be satisfied.

Table 4: Budget Estimate Summary for SEGA/MESP

Thousands of United States Dollars

<i>IR</i>	<i>Program Element</i>	<i>USAID Contribution</i>				<i>Grantee Contribution</i>	<i>Total</i>
		<i>Program</i>	<i>Management</i>	<i>Inflation</i>	<i>Total</i>		
4.1	Mandela Economics Scholars	5,000.0	1,250.0	326.2	6,576.2	2,192.0	8,768.2
4.2	Government Support	7,615.4	3,389.5	1,134.2	12,139.1	3,763.5	15,902.6
	<i>Technical Assistance</i>	<i>1,337.0</i>	<i>668.5</i>	<i>252.6</i>	<i>2,258.1</i>	<i>752.7</i>	<i>3,010.8</i>
	<i>Research Support</i>	<i>2,711.7</i>	<i>1,355.8</i>	<i>448.6</i>	<i>4,516.1</i>	<i>1,505.4</i>	<i>6,021.5</i>
	<i>Short-term Training</i>	<i>2,730.4</i>	<i>1,365.2</i>	<i>420.5</i>	<i>4,516.1</i>	<i>1,505.4</i>	<i>6,021.5</i>
	<i>Long-term Advisors</i>	<i>836.3</i>	<i>0.0</i>	<i>12.5</i>	<i>848.8</i>	<i>0.0</i>	<i>848.8</i>
4.3	Think Tank Support	4,287.8	2,143.9	568.3	7,000.0	2,333.3	9,333.3
4.4	Centers of Excellence	1,333.3	666.7	122.3	2,122.3	707.4	2,829.7
	Support Services	1,295.6	180.0	208.5	1,684.1	0.0	1,684.1
	<i>In-Contract</i>	<i>360.0</i>	<i>180.0</i>	<i>69.5</i>	<i>609.5</i>	<i>0.0</i>	<i>609.5</i>
	<i>Out-Contract</i>	<i>935.6</i>	<i>0.0</i>	<i>139.0</i>	<i>1,074.6</i>	<i>0.0</i>	<i>1,074.6</i>
Total		19,532.1	7,630.1	2,359.5	29,521.7	8,996.2	38,517.9

Notes:

- 1) *Grantee contribution not required for the long-term advisor from the U.S. Treasury.*
- 2) *Grantee contribution not required for USAID support items.*
- 3) *While the estimated costs for the long-term advisory services are included here, they will be obligated outside of the SEGA/MESP bilateral grant agreement.*

Table 5. Estimated Commitments for SEGA/MESP (USAID Contribution)

Thousands of U.S. Dollars

IR	Program Element	U.S. Fiscal Year (October-September)									Total
		1997	1998	1999	2000	2001	2002	2003	2004	2005	
4.1	Mandela Economics Scholars Program	1,000.0	1,250.0	1,250.0	1,250.0	250.0	0.0	0.0	0.0	0.0	5,000.0
4.2	Government Support	1,045.9	1,295.9	946.1	1,082.6	932.6	882.6	764.3	539.5	125.8	7,615.3
	<i>Technical Assistance</i>	127.8	127.8	146.1	182.6	182.6	182.6	164.3	127.8	95.4	1,337.0
	<i>Research Support</i>	250.0	300.0	350.0	450.0	450.0	400.0	300.0	211.7	0.0	2,711.7
	<i>Short-term Training</i>	250.0	450.0	450.0	450.0	300.0	300.0	300.0	200.0	30.4	2,730.4
	<i>Long-term Advisors</i>	418.1	418.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	836.2
4.3	Think Tank Support	800.0	500.0	700.0	600.0	600.0	600.0	487.8	0.0	0.0	4,287.8
4.4	Centers of Excellence	0.0	333.3	666.7	333.3	0.0	0.0	0.0	0.0	0.0	1,333.3
	Support Services	65.0	125.0	125.3	210.0	130.0	130.0	135.0	240.0	135.3	1,295.6
	<i>In-Contract</i>	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	360.0
	<i>Out-Contract</i>	25.0	85.0	85.3	170.0	90.0	90.0	95.0	200.0	95.3	935.6
	Management Fees	983.9	1,188.1	1,488.9	1,340.5	848.8	761.3	646.1	289.7	82.9	7,630.2
	U.S. Dollar Inflation	0.0	140.8	315.3	446.6	346.6	378.1	394.6	245.8	91.8	2,359.6
Total		3,894.8	4,833.1	5,492.3	5,263.0	3,108.0	2,752.0	2,427.8	1,315.0	435.8	29,521.8

Notes:

- 1) U.S. Treasury long-term advisor is included here, but the funding mechanism is a transfer to the U.S. Treasury. Thus, this funding is not included in the bilateral agreement.
- 2) The figures shown above are estimated expenditures. Any funds not expended in the indicated U.S. Fiscal Year automatically carry over to subsequent fiscal years without prejudice; however, all expenditures must be completed by the date indicated in the bilateral grant agreement.

Table 6. Projection of Uncommitted Funds for SEGA/MESP (USAID Contribution)

Thousands of U.S. Dollars

Program Component	United States Fiscal Year (October-September)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<i>Mandela Economics Scholars</i>										
Obligations										
Annual	1,500.0	1,500.0	1,500.0	1,500.0	576.1	0.0	0.0	0.0	0.0	0.0
<i>Cumulative</i>	<i>1,500.0</i>	<i>3,000.0</i>	<i>4,500.0</i>	<i>6,000.0</i>	<i>6,576.1</i>	<i>6,576.1</i>	<i>6,576.1</i>	<i>6,576.1</i>	<i>6,576.1</i>	<i>6,576.1</i>
Commitments										
Annual	0.0	1,250.0	1,609.4	1,657.7	1,707.4	351.6	0.0	0.0	0.0	0.0
<i>Cumulative</i>	<i>0.0</i>	<i>1,250.0</i>	<i>2,859.4</i>	<i>4,517.1</i>	<i>6,224.5</i>	<i>6,576.1</i>	<i>6,576.1</i>	<i>6,576.1</i>	<i>6,576.1</i>	<i>6,576.1</i>
Pipeline	1,500.0	1,750.0	1,640.6	1,482.9	351.6	0.0	0.0	0.0	0.0	0.0
<i>Support for Economic Growth & Analysis</i>										
Obligations										
Annual	2,736.6	2,350.7	2,345.9	2,948.7	2,755.0	2,727.7	2,716.6	2,680.2	0.0	0.0
<i>Cumulative</i>	<i>2,736.6</i>	<i>5,087.3</i>	<i>7,433.2</i>	<i>10,381.9</i>	<i>13,136.9</i>	<i>15,864.6</i>	<i>18,581.2</i>	<i>21,261.4</i>	<i>21,261.4</i>	<i>21,261.4</i>
Commitments										
Annual	0.0	2,559.8	3,074.4	3,680.4	3,304.3	2,587.4	2,578.1	2,242.7	995.2	239.1
<i>Cumulative</i>	<i>0.0</i>	<i>2,559.8</i>	<i>5,634.2</i>	<i>9,314.6</i>	<i>12,618.9</i>	<i>15,206.3</i>	<i>17,784.4</i>	<i>20,027.1</i>	<i>21,022.3</i>	<i>21,261.4</i>
Pipeline	2,736.6	2,527.5	1,799.0	1,067.3	518.0	658.3	796.8	1,234.3	239.1	0.0

Table 6. Projection of Uncommitted Funds for SEGA/MESP (USAID Contribution) (continued)

Thousands of U.S. Dollars

Program Component	United States Fiscal Year (October-September)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<i>All Activities and Support Services</i>										
Obligations										
Annual	4,321.7	4,000.0	4,000.0	4,700.0	3,500.0	3,000.0	3,000.0	3,000.0	0.0	0.0
<i>Cumulative</i>	4,321.7	8,321.7	12,321.7	17,021.7	20,521.7	23,521.7	26,521.7	29,521.7	29,521.7	29,521.7
Commitments										
Annual	0.0	3,894.8	4,833.1	5,492.2	5,263.0	3,107.9	2,752.0	2,427.8	1,315.0	435.9
<i>Cumulative</i>	0.0	3,894.8	8,727.9	14,220.1	19,483.1	22,591.0	25,343.0	27,770.8	29,085.8	29,521.7
Pipeline	4,321.7	4,426.9	3,593.8	2,801.6	1,038.6	930.7	1,178.7	1,750.9	435.9	0.0

Table 7. Projected Grantee Contribution Requirements (US\$ 000)

(Based on Projected Commitments)

Item	1997	1998	1999	2000	2001	2002	2003	2004	2005	Total
Government Responsibility	730.6	1,160.3	1,408.0	1,342.7	642.0	511.6	456.3	331.7	79.7	6,662.9
<i>Mandela Economics Scholars Program</i>	416.7	536.5	552.6	569.0	117.2	0.0	0.0	0.0	0.0	2,192.0
<i>Government Support</i>	313.9	452.1	501.8	591.6	524.8	511.6	456.3	331.7	79.7	3,763.5
<i>Centers of Excellence</i>	0.0	171.7	353.6	182.1	0.0	0.0	0.0	0.0	0.0	707.4
Other Grantees' Responsibility	400.0	257.5	371.3	327.8	337.7	347.8	291.2	0.0	0.0	2,333.3
Total	1,130.6	1,417.8	1,779.3	1,670.5	979.7	859.4	747.5	331.7	79.7	8,996.2

The line items of the budget estimates (Tables 5 and 6) correspond to the four intermediate results under Strategic Objective Four, plus the provision of support services to Strategic Objective Four and USAID/South Africa. In terms of the USAID contribution, funding for IR 4.1 — the Mandela Economics Scholars Program — is budgeted at just under \$6.6 million or 22.3 percent of the USAID contribution. Similarly, funding for IR 4.2 — Support to Government Departments — is budgeted at \$12.1 million or 41.1 percent of USAID's funding. Support for economic think tanks (IR 4.3) is budgeted at \$7.0 million (23.7 percent of total), while Support for Centers of Excellence in Economics is budgeted at \$2.1 million (7.2 percent). Finally, support services are estimated to take 5.7 percent of the USAID contribution or \$1.7 million.

As shown in the column headings of Table 5, the budget for the USAID contribution is composed of three components. First is the estimated programmatic cost (in constant prices). These costs are based upon estimated volumes of service and estimated unit costs (see Attachment C for details of the volumes and unit costs). Second is the estimated management fee for the institutional contractor which will be responsible for implementing the results package. Third and finally is an allocation of projected inflation costs to the line items. The estimated costs due to inflation are based on a three percent (3%) annual inflation rate compounded and applied to estimated program costs and management fees.

Under support services, two sub-headings are included, i.e., in-contract and out-contract, which refer to whether or not these services will be provided by the institutional contractor (in-contract) which will implement this results package or by USAID/SA (out-contract). The in-contract services include items such as the organization of steering committee and expanded-team meetings, and data and information collection for results reporting purposes. The out-contract services include items such as funding for an FSN economist, results package and contractor audits and evaluations, and selected items of USAID/South Africa Mission overhead.

The projected levels of uncommitted funds are acceptable, generally representing a commitment lag of less than a fiscal year.

D. USAID Management Costs

The USAID management costs for Strategic Objective Four and associated with this results package are comprised of the following items:

- One USDH Program Economics Officer (FS02);
- One FSN Economist funded from the Results Package (FSN G11);
- A contribution towards the USAID/South Africa office rental from the Results Package;
- One-quarter time of a roving secretary;

-
- Part of the time of other strategic objective four team members, amounting to the equivalent of approximately two full-time foreign service national professionals;
 - and ● Basic support services from the Office of Program and Project Development, Executive Office, Regional Contracts Office, Regional Legal Advisor, and Controller.

E. Conditions Precedent and Covenants in the Bilateral Grant Agreement

The bilateral grant agreement for this activity will include the following conditions precedent to disbursement:

- Prior to the first disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made, and no later than 120 days after the signature of this agreement, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID in form and substance satisfactory to USAID:
 - (a) An opinion of counsel acceptable to USAID that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms, provided, however, that this requirement shall be deemed satisfied upon the submission by the Grantee of a Full Power delegating authority to sign this Agreement;
 - (b) A statement of the name of the person holding or acting in the office of the Grantee, and of any additional representatives who are authorized to sign documents and communications on behalf of the Grantee, together with a specimen signature of each person specified in such statement;
 - (c) A statement of the names of the RSA representatives, as identified by the Office of the Executive Deputy President, who will serve on the Operational Steering Committees; and
 - (d) A statement of the names of the RSA representatives, as identified by the Director General of the Department of Finance, who will assist in management oversight and administration for the implementation of this activity.
- Prior to any additional disbursements under the Grant after year one of the program, and for each year thereafter, or to the issuance by USAID of documentation pursuant to which such additional disbursements will be made, and no later than 120 days following the anniversary date of this agreement, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID, in form and substance satisfactory to USAID:

-
- (a) A report describing in detail the nature and form of the host country contribution made by the Grantee during the previous year.

As well as the above conditions precedent, the following covenants will also be included in the grant agreement:

- The RSA will undertake, through the Department of Public Service and Administration, a survey of government departments involved in the formulation and implementation of economic policies at the national and provincial levels to inform the decision on the appropriate mix of Masters and Doctoral students under MESP. The RSA further agrees that this survey will be completed no later than 31 July 1997 and that it will provide a summary of this study to USAID.

XI. Implementation/Management Plan

A. Personnel Requirements and Responsibilities

1. Management Steering Committees

The broad oversight and guidance for these activities will be provided by a set of Steering Committees composed of USAID/South Africa, representatives from the GNU, and from South African civil society. This section defines the structure, duties and parameters of these Steering Committees.⁹ The structure, procedures and criteria defined below were worked out with a broad range of South African customers, partners and stakeholders.

a. Purpose of the Steering Committees

The purpose of the SEGA/MESP Steering Committees is to provide a governance structure for the implementation of the SEGA/MESP activities. This governance structure should ensure appropriate South African participation and input for the implementation process.

Due to the need to ensure compliance with U.S. laws and regulations associated with U.S. foreign assistance funding, the SEGA/MESP Steering Committees are advisory since final approval authority must rest with USAID/South Africa. However, whenever USAID does not follow the recommendations of the Steering Committees, an explanation of the action will be provided to the Steering Committees.

⁹The currently identified members of these steering committees are listed in Attachment E. The nomination of the remaining government members is a condition precedent to disbursement of any funds under this project.

At a broader/strategic level, the Steering Committees will be supplemented by a broader "expanded team" which will include a wider range of individuals or groups who can help to inform the implementation of USAID/South Africa's Strategic Objective Four.

b. Proposed Structures for the Steering Committees

A Policy Steering Committee (also referred to as "Policy Forum" by GNU partners) will be formed to set the basic parameters for SEGA/MESP. The Policy Steering Committee will establish/approve activity policy and operational procedures such as the selection criteria for activities and trainees, the mix of doctorates and masters degrees under the MESP, the mechanisms for binding trainees to service, etc. This group would also serve to establish the general focus of activities or the workplan for the coming year.

Operating under the Policy Steering Committee will be two Operational Steering Committees, one for the SEGA activities (technical assistance, short-term training, research support, "think tank" development, etc.) and another for the Mandela Economic Scholars Program. The Operational Steering Committees would deal with the implementation of the activities and workplans for the SEGA and MESP activities. Examples of the involvement of the Operational Steering Committees include the review of the Terms of Reference for Requests for Assistance (RFAs), review of short-listed responses to such RFAs, approval of technical assistance requests, approval of research requests, approval of short-term training requests, selection of long-term trainees, etc.

The basic structure of these three committees will be the same. Specifically, the committees would be composed of no more than nine individuals: one from USAID, no more than four from the Government of National Unity (GNU), including provincial governments if desired and appropriate, and no more than four from civil society, i.e., outside of government. For purposes of these steering committees, South Africa's university system will be considered "outside of government."

Within the steering committees, the USAID representative will only "vote" in case of a deadlocked or tied situation.

The individuals from the GNU will by necessity be representing their respective ministries, departments or organizations, but will also be expected to look at and advise on questions or issues which extend beyond those ministries, departments or organizations.

The individuals from civil society will be nominated and will be serving as individuals and not as representatives of particular organizations.

c. Criteria for Membership

Within the structure for the steering committees described above, there are two criteria for membership on the steering committees.

First, the individuals or organizations (in the case of GNU representation) should be involved in economic policy, economic research related to policy questions, or economic training related to the formulation or implementation of policy.

Second, the GNU organization is critical for the implementation of a particular activity or set of activities which form an essential part of the SEGA/MESP activities.

d. Identification and Selection of Steering Committee Members

Identification and selection of GNU and civil society membership will be handled separately. GNU membership will be formulated and submitted to USAID/SA by the Office of the Executive Deputy President. Civil society membership was selected from nominations received from members of the current SEGA/MESP working group or from other individuals and groups known to be involved in the type of activities outlined above and suggested by the working group. These nominations just filled the available steering committee positions. If these nominations had exceeded the number of committee positions, the nominations would have been communicated to the civil society components of the SEGA/MESP working group who would have voted for the civil society membership of the steering committees. If following an initial ballot and one runoff ballot, the civil society membership had not been established, a formal meeting of the SEGA/MESP working group would have been held to finalize this membership.

2. USAID

The implementation of SEGA/MESP will involve USAID/South Africa, the SEGA/MESP Management Contractor, representatives of the Government of South Africa, as well as the SEGA/MESP Steering Committees.

USAID/South Africa will serve as the financier and administrator of the SEGA/MESP Management Contractor and activities undertaken by the contractor, and serve as a member of the steering committees. As stated above, USAID/South Africa retains the final approval authority for all activities to be financed by the SEGA/MESP activity.

The Strategic Objective Four Team will be involved in the technical direction of the SEGA/MESP Management Contractor. To facilitate these efforts and to monitor and report on implementation progress, the Strategic Objective Four Team has divided into four sub-teams, each sub-team corresponding to one of the four intermediate results. These sub-teams will be responsible helping to identify and facilitate activities with the SEGA/MESP contractor for activities relating to their specific intermediate result. In case

of conflicting requirements as identified by these sub-teams, the team leader for Strategic Object Four will serve as the arbitrating authority.

The SEGA/MESP Management Contractor will serve as the primary implementing agent for the SEGA/MESP activity. This contractor will arrange and manage the delivery of services such as technical assistance, short-term training, long-term training, issuance of Requests for Agreements, summarizing proposals, organizing meetings, and serving as the secretariat for the steering committees.

3. Joint Responsibilities

As noted above, the Government of South Africa is a full partner in the implementation of these activities. USAID/SA and the Government of South Africa will have joint responsibility for the selection and management of the Management contractor. The joint management responsibility will be carried out by a Management Committee consisting of two Government representatives and two USAID representatives.

This Management Committee will be responsible for providing technical directions to the Contractor, through its designated representative, for evaluating the Contractor's performance, and recommending continuation or termination of the contract based upon evaluations of performance.

With respect to the initial selection of the contractor, USAID will work jointly with the RSA members of the Management Committee to draft the Contractor's scope of work. An evaluation committee consisting of the RSA members of the Management Committee, or their designees, and officials designated by USAID/SA will jointly review the proposals received from potential contractors against the selection criteria included in the scope of work and make recommendations to the USAID/SA Contracting Officer regarding the technical acceptability of the proposals. The USAID/SA Contracting Officer will award the contract.

B. Implementation Mechanisms

1. Obligation

Funds will be obligated through a bilateral strategic objective agreement to be signed with the Ministry of Finance and implemented in conjunction with the Department of Finance. The Director General of the Department of Finance will be the primary contact person in the Department of Finance for these activities, but it is expected that she will delegate specific authorities to other individuals in the Department of Finance and in key line ministries to facilitate implementation of the overall project.

2. *Sub-Obligation*

The SEGA and MESP activities will be implemented by a contractor that will be competitively selected. The RFP for the procurement of this contractor will be issued in early FY 1997.

a. **SEGA**

The SEGA activity will be implemented by a contractor that will be competitively selected. The RFP will be issued in early FY 1997. The contractor will be expected to deliver virtually all aspects of the activity, including NGO grant management, in conjunction with the USAID/South Africa Strategic Objective Four Team and the Steering Committees. Similarly, the contractor will be responsible for coordinating with the contractor under the Tertiary Education Linkages Project (TELP) for providing the support to the Economics Center of Excellence. This arrangement will minimize the management burden on USAID/South Africa while maintaining the required involvement in the substance of the activities. The role of the contractor is spelled out in more detail below.

In cases where there is a desire for another U.S. Government Agency to provide particular services consistent with the objectives of SEGA, USAID/SA may engage in an interagency agreement with the proposed cooperating Agency rather than go through the contractor for such services.

A final option for implementing activities is to utilize host-country contracting, if a review of procedures by the Regional Contracting Officer (RCO) provides the necessary certification of those procedures. While this option could be used for any part of the support to government, it is expected that it would most likely be used for research activities.

b. **MESP**

The MESP activity will be implemented as an integral part of the general SEGA contract. For the September 1997 intake of students, an ad hoc mechanism will be required since the long-term contractor will not be in place in time to facilitate that intake. The options for this ad hoc mechanism include a one-time buy-in to the planned Mission-wide Training Requirements contract which is to be competed during FY 1996, and a buy-in to a central training mechanism such as ATLAS or the Global Training for Development contract. Since the Mission-wide Training Requirements contract is not expected to be in place in time to implement the September 1997 participant intake, the buy-in mechanism will be utilized. To enhance management coordination of all MESP long-term trainees, the Mission will investigate the option of including this group, at a later date, under the general SEGA contract.

c. Role of the Contractor

As noted above, the SEGA/MESP contractor, to be selected on a competitive basis, will be the primary implementing agent for the planned activities under this results package. As such, the contractor and its U.S. and/or South African sub-contractors will be responsible for implementing virtually all aspects of these activities. Such implementation, however, will be conducted in close consultation with USAID/SA's Strategic Objective Four Team.

Specifically, the contractor will be responsible for the following eight areas:

- 1) Support GNU Ministries and Departments by arranging individuals to provide
 - a) technical advisory services related to economic policy issues and questions;
 - b) management and organizational advisory services to support the formation and/or restructuring of Departmental units; and
 - c) short-term training in management and/or technical skills areas;
- 2) Contracting for research on specific policy issues or questions as necessary;
- 3) Recruitment, selection, placement and support of the participants under the Mandela Economics Scholars Program;
- 4) Making and administering institutional and programmatic support grants to economic think tanks (NGO, university or private), ensuring that grantees meet all requirements for such grants;
- 5) Organize and facilitate annual meetings of the Strategic Objective Four Expanded Team;
- 6) Organize biannual meetings of the SEGA/MESP Policy Steering Committee, one of which will be in conjunction with the Strategic Objective Four annual expanded team meeting;
- 7) Organize quarterly meetings of the SEGA/MESP Operational Steering Committees, one of which will be in conjunction with the Strategic Objective Four annual expanded team meeting;
- 8) Prepare, with the necessary research and survey work, reports to document the impact of activities as they relate to Strategic Objective Four, its intermediate results, and the intermediate results of others as they relate to Strategic Objective Four; and
- 9) Work cooperatively with the contractors or others under Strategic Objectives One and Two to support as necessary and appropriate the development of a Center of Excellence in Economics and in Public Administration/Governance at historically disadvantaged institutions.

The activities for which the contractor will not be responsible include long-term U.S. Government advisors, staff of USAID/South Africa (FSN Economist), audit of funds used in the contract and related activities, and evaluation of the contractor's performance and of the overall activity.

d. Long-term Advisory Services

A Section 632(a) Interagency Transfer Agreement (IAA) between USAID and the U.S. Treasury will be signed for the financing of the Treasury Advisor. [Note: Host country contribution is not required against this activity.]

3. Interim (FY 1996/97) Implementation Arrangements

Several interim implementation arrangements will be undertaken during FY 1996 and FY 1997, prior to the award of the prime management contract.

a. SEGA

Mortgage funding and a "cosmetic" amendment are required for one NGO grant and an amendment with increased funding is required for another on-going NGO grant. The contracting process for long-term implementation will not be completed in time to manage these activities. Thus, these NGO grant amendments being executed in FY 96 will be handled per the current procedure, and will continue to be directly managed by the Strategic Objective Four Team. Any FY 97 NGO grants will be executed per the current Mission procedure, but management will pass to the institutional contractor once that contractor is in place.

The consultation process identified several activities for FY 1996 implementation. Since these activities will need to be implemented prior to having the long-term contractor in place, they will be implemented through a buy-in, executed by the Regional Contracts Officer (RCO), to the "Consulting Assistance on Economic Reform (CAER) II." These activities will be presented in the scope-of-work and PIO/T to be executed by the RCO as either a delivery-order for specific outputs or a term-type delivery order under CAER II.

b. MESP

During the December 1995 meeting of the South Africa-United States Binational Commission, a commitment was made to Vice President Gore and Executive Deputy President Mbeki that a first intake of students under this program will start their training in September 1996. To fulfill this commitment, part of the remaining funds under the Support to Tertiary Education Project's (STEP) contract with the Institute for International Education (IIE) are being used to initiate the program at the level of sixteen person-years of training, i.e., four masters and two doctoral degrees. The use of the IIE contract for this initial intake is solely for the convenience of USAID/SA and does not imply that IIE has any advantage or disadvantage in competing for the long-term implementation contract. This intake is additional to that planned under this activity.

Given the delay in having a long-term contractor in place, it will be necessary for the RCO to execute a buy-in to one of the centrally funded training projects for the September 1997 intake.

C. Procurement Plan

As outlined above, there are an estimated eight USAID-directed procurement actions associated with this results package. Table 8 summarizes those procurement actions, the responsible agents for those actions, and the procurement mode for the actions.

D. Selection Process and Criteria

The SEGA/MESP contractor will work with client organizations to assemble proposals for assistance. The Operational Steering Committees will have the prime responsibility for reviewing those proposals and recommending acceptance or rejection of the proposals. In those reviews, the proposals' merit will be examined in the context of the following criteria, along with others as defined and agreed to with the SEGA/MESP Policy Steering Committee. Acceptable proposals must relate to assistance that:

- Has clear and demonstrable linkages to the intermediate results associated with Strategic Objective Four;
- Has clear linkages to the goals and purposes of the Growth, Employment and Redistribution Macroeconomic Strategy and/or the Reconstruction and Development Program;
- Is critical to the achievement of the recipient's strategic plan or vision;
- Includes an appropriate counterpart contribution;
- Is to an organization which is effective and committed to the goals of strategic objective four;
- Has clearly articulated and demonstrated positive net benefits to South Africa; and
- Is to an organization that has demonstrated good prospects for future sustainability.

Assistance to non-governmental "think tanks," can be of four types: institutional support grants; programmatic grants, short-term training, or short-term technical assistance. The above criteria apply to all of these modes of assistance; however, for institutional support grants the need for a demonstrated and acceptable plan to achieve sustainability will be an absolute requirement. As a general rule, no single institution will receive more than one institutional support grant under this activity.

XII. Customer Service Plan

The Strategic Objective Four team has developed a Customer Service Plan which is contained in Attachment H. In addition to the methods identified for acquiring feedback on services and information on customer needs identified in the Customer Service Plan,

materials and information will be available via the Mission's connection to Sangonet and through the planned USAID/South Africa internet site. These vehicles will also provide mechanisms for the receipt of customer feedback.

Table 8. Procurement Plan		
Procurement Action	Responsible Agent	Mode
SEGA/MESP Contractor	RCO	Fully Competitive Contract (RFP)
Research Support Contracts/Grants	SEGA/MESP Contractor	Limited Competition
Think Tank Support Grants <i>(excluding on-going grants)</i>	SEGA/MESP Contractor	Competitive (RFA)
Long-Term Advisor (U.S. Treasury)	USAID/W	Interagency Transfer Agreement [Sec 632(a)]
	<i>{Cooperating Agency}</i>	<i>{Competitive, with delegated PSC authority}</i>
FSN Economist	EXO	Competitive
Initial Implementation Activities	RCO	Competitive/IQC
Audit	RCO	Competitive/IQC
Evaluation	RCO	Competitive/IQC

XIII. Environmental Sustainability Issues

The specific activities to be undertaken as a part of this results package will have no direct, adverse environmental impact and thus qualify for a categorical exclusion. The ultimate purpose of these activities, i.e., the adoption and implementation of growth promoting economic policies, could have a variety of environmental impacts which cannot currently be identified. The South African Government's existing process of environmental impact review, described below, is expected to be sufficient to avoid unacceptable environmental impacts. Further, SEGA and MESP will include appropriate activities to complement the existing processes. The approved categorical exclusion is attached to this results package as Attachment A.

A. South African Government Environmental Impact Review Process

The Environment Conservation Act of 1989 provides the basic authority and background for requiring environmental impact analyses in South Africa. Under this authority, the Department of Environment Affairs has adopted the approach of "Integrated Environmental Management (IEM)" as an integral part of policy and planning proposals. The purpose of IEM is "to resolve or mitigate any negative impacts and to enhance positive aspects of development proposals."¹⁰

IEM is a comprehensive, three stage procedure for assuring that an Impact Assessment is either undertaken or is not necessary. The first stage is the planning and assessment of a proposal. This begins with the development of the proposal including the requirements of IEM.

Once the proposal is developed it is classified by the developer, his/her consultant(s), and relevant authorities. This classification can have one of three results, all based on established and defined criteria. First, it can be decided that the proposal will have no significant impacts on the environment so that the proposal moves on to the second stage review of the proposal. Second, it can be decided that an initial assessment should be undertaken when the proposal involves any of a particular set of activities or will be located in particular types of physical environments or if there is uncertainty regarding the existence of significant impacts. The initial assessment is an investigation undertaken by a competent party to obtain enough information to determine whether or not there will be significant impacts. The report from the initial assessment will be reviewed and a determination made that either an impact assessment is required or no significant impacts are expected. In the latter case, the proposal would move on to the second stage of the process. Third, a formal impact assessment can be required.

¹⁰Department of Environment Affairs, "The Integrated Environmental Management Procedure," 1992, page 5. This document forms the basis for the following discussion. For more detail on any aspect of South Africa's approach to environmental impact, refer to this document and subsequent documents in the same series.

The second stage of the IEM process is that of reaching and recording a decision concerning the acceptability of the proposal and any mitigating or other requirements associated with the approval of the proposal. Throughout the first and second stages of the IEM process, full provision for appeals exists.

If a proposal receives approval at this stage, it moves on to the third stage of implementation which includes monitoring and auditing of the positive and negative impacts of the activity.

B. SEGA/MESP Efforts to Avoid Adverse Environmental Impacts

The SEGA/MESP activities will include appropriate sub-activities to complement and strengthen the existing environmental review and analysis requirements of the South African Government as described above. These sub-activities will include:

- Requiring environmental sustainability review of any sub-grants by the implementing contractor;
- Including environmental sustainability analysis training in short-term training activities if and when appropriate; and
- Providing research support to the environmental sustainability review and analysis efforts related to specific policy proposals as necessary and appropriate.

XIV. Performance Monitoring Plan

The results of these activities will be judged by a set of quantitative and qualitative criteria. There is a single, comprehensive indicator at the level of the strategic objective. The intermediate result indicators include a number of items which when considered together are expected to provide a clear picture of success or failure for the intermediate results and the supporting activities. The indicators focus both on immediate results and items and issues which will be critical to their sustainability. While the indicators shown below are for Strategic Objective Four, they also function as indicators for the success of SEGA/MESP since these activities are the primary implementing mechanisms for the Strategic Objective.

Table 9 summarizes the broad monitoring framework for this strategic objective. While these indicators can be defined at this point, the identification of quantified targets will only be achieved as the strategic objective team moves further into the design and implementation of the activities under this results package.

In addition to these indicators, the “Organizational Capacity Guide” developed for USAID/SA by the Human Sciences Research Council will be used as another instrument and mechanism to measure improvements in the capacity and effectiveness of assisted organizations. This survey instrument covers the following areas:

-
- Governance and Leadership;
 - Governing Board;
 - Leadership;
 - Decision Making and Problem Solving
 - Strategic Direction;
 - Knowing the Environment;
 - Mission Statement;
 - Strategic Plans:
 - Action Plans;
 - Flexibility;
 - Financial Sustainability;
 - Values;
 - Operational Management;
 - Project/Program/Operational Unit Management;
 - Financial Management;
 - Management of Information;
 - Human Resources;
 - Staffing;
 - Working Environment;
 - Development of People;
 - Affirmative Action and Employment Equity;
 - Performance Management;
 - Conditions of Service; and
 - Feedback.

When providing assistance to organizations under SEGA, this survey instrument will be applied prior to the assistance and six months following the completion of the assistance. If the assistance is longer-term, e.g., an institutional support grant to an NGO, the survey instrument will be administered periodically over the course of the grant, as well as subsequent to the assistance's termination. For shorter-term, more focussed assistance, the focus of the survey may only be on certain key aspects of the organization which is being targeted, while in other cases the focus may be on the overall capacity of the organization. The pre- and post-assistance administration of the survey is expected to provide a solid basis for measuring the effectiveness of the assistance in improving the capacity of the target organization.

As noted above, the SEGA/MESP contractor will have the principal responsibility for collecting and submitting the information required for monitoring the results.

A. Monitoring at the Strategic Objective Level

The indicator proposed for the strategic objective is:

Roles and contributions of USAID-assisted individuals and institutions in improving the economic environment to promote economic growth and equity.

Taken together, the intermediate results improve the capacity of South African organizations to develop an economic environment to promote economic growth and equity. If the key institutions and newly trained people are actually able to formulate, evaluate and implement policies, the proof will be found in their ability to help develop an environment that strengthens and promotes growth with equity.

Implementation of this indicator will primarily be through the steering committees and other members of the SO4 expanded strategic objective team. Each year an assessment of the current economic environment and changes since the previous assessment will be prepared. The detailed structure of the assessment will be developed in conjunction with the expanded team, but could include headings such as foreign trade, fiscal policy, monetary policy, etc. with appropriate sub-headings for each topic. Over the course of a year, government and others will be formulating and analyzing options and proposals; changes will occur. At the next review, an updated assessment is prepared and the role of USAID-assisted individuals and institutions in the process will be determined. The views of stakeholders will be solicited as an additional means of assessing the importance of the changes which are documented in these assessments.

B. Monitoring at the Intermediate Results Level

Table 10 indicates the information sources for each indicator identified above by intermediate result. In addition to being responsible for a major portion of the indicator measurement at the strategic objective level, the expanded strategic objective team will also play a major role in assessing the quality aspects for a number of the intermediate results indicators.

C. Monitoring Intermediate Results of Others

Just as Table 10 provides information on the source of information for monitoring the intermediate results of strategic objective four, Table 11 provides the sources of information for the monitoring of the efforts of others which support strategic objective four. The core strategic objective team will have the primary responsibility for monitoring these items, but the expanded team will be involved when necessary and appropriate.

D. Monitoring Sustainability

Many of the indicators for strategic objective four and many of the “intermediate results of others” noted above are associated with ensuring the sustainability of the strategic objective four intermediate results. Thus, the monitoring of those items will also serve as monitoring sustainability.

Two other areas will receive on-going attention as issues of sustainability. First, the issue of leadership and succession for organizations such as think tanks will be monitored in order to ensure continuity and sustainability at that level. Second, monitoring of financial resources and the dependence of non-governmental institutions on a limited number of non-sustainable funding sources will be critical. If the degree of dependence measured by, for example concentration ratios of funding, is too high, sustainability of the organization could be “under-threat.”

TABLE 9. MONITORING FRAMEWORK FOR STRATEGIC OBJECTIVE 4	
OBJECTIVE/RESULTS	PROPOSED INDICATORS
<p>Strategic Objective 4: Improved capacity of key government and non-governmental entities to formulate, evaluate and implement economic policies to promote economic growth and equity.</p>	<ul style="list-style-type: none"> ● Roles and contribution of USAID-assisted individuals and institutions in improving the economic environment to promote economic growth and equity
<p>4.1. Strengthened human resources in economics and policy analysis for key government entities.</p>	<ul style="list-style-type: none"> ● # of individuals trained at different levels (short-term, masters, doctoral) ● Length of continued service of trainees in appropriate jobs ● Capacity of trainees once training is completed
<p>4.2. Strengthened government departments that deal with economic policy matters.</p>	<ul style="list-style-type: none"> ● # of units within departments strengthened ● # and quality of studies/policy work conducted following strengthening ● Internal and external quality assessment of the strengthened units ● Number of trained disadvantaged South Africans in middle and senior levels ● Recurrent funding for the operation of the strengthened units
<p>4.3. Strengthened think tanks to formulate and evaluate economic policy options for all economic policy makers.</p>	<ul style="list-style-type: none"> ● # of think tanks supported with a viable plan for sustainability ● # of studies produced by the supported think tanks which are used by policy fora or other policy makers ● Internal and external quality assessment of studies and institutions ● Role of think tanks in advising on policy issues and topics ● Increased input of disadvantaged South Africans in the analysis and policy discussions
<p>4.4. Strengthened centers of economics training (Centers of Excellence in Economics), especially within the historically disadvantaged institutions.</p>	<ul style="list-style-type: none"> ● # of centers sustainably strengthened or established ● Increased numbers of students and graduates in economics from the Center(s) ● Output (# and quality) of research papers by the centers ● Quality of the institutions, programs and research papers

TABLE 10. MONITORING STRATEGIC OBJECTIVE 4 INTERMEDIATE RESULTS	
INTERMEDIATE RESULT/INDICATOR	SOURCE OR METHOD
<i>IR 4.1. Strengthened human resources in economics and policy analysis for key government entities</i>	
• Number of individuals trained at different levels	PTMS and Results Package Records
• Match between jobs identified and training provided	PTMS Records and Personnel Records of Customer/Partner Organizations
• Capacity/capabilities of trainees once training is completed	Assessment of the quality of analysis and reports by supervisors and external assessors
• Length of continued service of trainees in appropriate jobs	PTMS Records and Personnel Records of Customer/Partner Organizations
<i>IR 4.2. Strengthened government departments that deal with economic policy matters</i>	
• Number of units within departments strengthened	Results Package Records
• Number and quality of studies/policy work conducted following strengthening	Unit records and assessments of quality of work
• Quality of the Strengthened Units	Internal and external assessments of the units
• Number of trained disadvantaged South Africans in middle and senior levels	Personnel records of the strengthened units
• Recurrent funding for the operation of the strengthened units	Government budgetary records

TABLE 10. MONITORING STRATEGIC OBJECTIVE 4 INTERMEDIATE RESULTS (CONTINUED)	
INTERMEDIATE RESULT/INDICATOR	SOURCE OR METHOD
<i>IR 4.3. Strengthened think tanks to formulate and evaluate economic policy options for all economic policy makers</i>	
• Number of think tanks supported with a viable plan for sustainability	Results package records
• Number of studies produced by the supported think tanks which are used by policy fora or other policy makers	Results package records (reporting by think tanks) and internal and expanded team assessments
• Quality of studies and institutions supported	Internal and external assessments
• Role and effectiveness of think tanks in advising on policy issues and topics	Assessment by and through the expanded team
• Input of disadvantaged South Africans in the analysis and policy discussions	Assessment by and through the expanded team
<i>IR 4.4. Strengthened centers of economics training (Centers of Excellence in Economics), especially within the historically disadvantaged institutions</i>	
• Number of centers sustainably strengthened or established	Results package and Strategic Objective Two records
• Number of students and graduates in economics	Records from the Center(s) and host-HDI
• Number of policy-relevant research papers by the Center(s)	Records from the Center(s)
• Quality of the Center(s) and associated programs and research papers	Internal and external assessments

TABLE 11. MONITORING STRATEGIC OBJECTIVE 4 INTERMEDIATE RESULTS OF OTHERS	
INTERMEDIATE RESULT/INDICATOR	SOURCE OR METHOD
<i>IR 4.1. Strengthened human resources in economics and policy analysis for key government entities</i>	
<ul style="list-style-type: none"> • Private sector and/or government funding for an endowment can be found for a continuing Mandela Economics Scholars Program through a foundation or other structure 	Records of an established foundation for continuing MESP
<ul style="list-style-type: none"> • Strategic Objective 2 delivers on funding the Center of Excellence in Economics 	Strategic Objective Two and associated results package records and documents
<i>IR 4.2. Strengthened government departments that deal with economic policy matters</i>	
<ul style="list-style-type: none"> • Bilateral donors continue and follow through with their planned assistance to the government on specific sectoral policy issues 	Discussions with donors and data on their support in these areas
<ul style="list-style-type: none"> • World Bank continues to finance critical studies on the policy framework 	World Bank data on financing such reports and expanded team assessment of their quality and importance
<ul style="list-style-type: none"> • GNU provides funding and support for the sustainability of the improved government centers of policy and strategic analysis 	Government budgetary records
<i>IR 4.3. Strengthened think tanks to formulate and evaluate economic policy options for all economic policy makers</i>	
<ul style="list-style-type: none"> • Other donors continue their assistance to “think tanks” in a coordinated fashion 	Discussions with donors and data on their support for think tanks
<ul style="list-style-type: none"> • World Bank continues to finance critical studies on the policy framework 	World Bank data on financing such reports and expanded team assessment of their quality and importance

<ul style="list-style-type: none"> • Sustainable funding or endowments can be found to support the longer-term requirements of the “think tanks.” 	Monitoring of think tanks’ financial situation and contributions from others to them
--	--

TABLE 11. MONITORING STRATEGIC OBJECTIVE 4 INTERMEDIATE RESULTS OF OTHERS (CONTINUED)	
INTERMEDIATE RESULT/INDICATOR	SOURCE OR METHOD
<i>IR 4.4. Strengthened centers of economics training (Centers of Excellence in Economics), especially within the historically disadvantaged institutions</i>	
<ul style="list-style-type: none"> • Strategic Objective 2 delivers on funding the Center of Excellence in Economics 	Strategic Objective Two and associated results package records and documents
<ul style="list-style-type: none"> • The government and the historically disadvantaged tertiary institutions continue to support the “Centers of Excellence” financially and in other ways 	Budgetary records of the Center(s) and host-HDI(s) and assessments of other support

Attachment A

Initial Environmental Assessment

General Counsel (Africa Bureau) *[Signature]* Date: 5/14/96

ADDITIONAL CLEARANCES: (Type Name Under Signature Line)

Mission Environmental Officer: *Janina A. Becker* Date: 5/9/96

Project Manager: *Richard [Signature]* Date: 5/8/96

Regional Environmental Officer: _____ Date: _____

Attachment B

**Minutes of the Strategic Objective Four
Activity Selection Review
of the Results Package**

Attachment C

Detailed Estimated Budgets

SEGA/MESP Detailed Commitment Estimates

General Planning Parameter: Unit Costs and Fee Rates

US Inflation Rate 3.0% percent per year

Unit Costs (US\$ 000), Constant Prices

MESP

Masters	\$	50.0	per degree
Ph.D.s	\$	100.0	per degree
Technical Assistance	\$	18.3	per person month
Research Support	\$	50.0	per research project
Short-term Training	\$	50.0	per course
Long-Term Advisors			
US Treasury	\$	418.1	per year
Think Tank Grants			
Institutional	\$	300.0	per grant
Programmatic	\$	200.0	per grant

Management Fee Rates

MESP

Masters	\$	12.5
Ph.D.s	\$	25.0
Technical Assistance		50.0%
Research Support		50.0%
Short-term Training		50.0%
Think Tank Support		50.0%
Centers of Excellence		50.0%
Support Services		50.0%
Long-Term Advisors		
Treasury		0.0%
Support Services		
In-Contract		50.0%
Out-Contract		0.0%

SEGA/MESP Detailed Commitment Estimates

<i>IR</i>	<i>Item</i>	<i>Cost Rates</i>	<i>US\$ Thousands</i>									<i>Total</i>
			<i>FY97</i>	<i>FY98</i>	<i>FY99</i>	<i>FY00</i>	<i>FY01</i>	<i>FY02</i>	<i>FY03</i>	<i>FY04</i>	<i>FY05</i>	
4.1	Mandela Econ Scholars		\$ 1,250.0	\$ 1,609.4	\$ 1,657.7	\$ 1,707.4	\$ 351.7	\$ -	\$ -	\$ -	\$ -	\$ 6,576.1
	<i>Number (Ph.D. eq.)*</i>		10.0	12.5	12.5	12.5	2.5	-	-	-	-	50.0
	<i>Masters</i>		4.0	5.0	5.0	5.0	5.0	-	-	-	-	24.0
	<i>Ph.D.</i>		8.0	10.0	10.0	10.0	-	-	-	-	-	38.0
	Funding, Total		\$ 1,250.0	\$ 1,609.4	\$ 1,657.7	\$ 1,707.4	\$ 351.7	\$ -	\$ -	\$ -	\$ -	\$ 6,576.1
	<i>Program</i>		1,000.0	1,250.0	1,250.0	1,250.0	250.0	-	-	-	-	5,000.0
	<i>Masters</i>	\$ 50.0	200.0	250.0	250.0	250.0	250.0	-	-	-	-	
	<i>Ph.D.s</i>	\$ 100.0	800.0	1,000.0	1,000.0	1,000.0	-	-	-	-	-	
	<i>Mgt Fees</i>		250.0	312.5	312.5	312.5	62.5	-	-	-	-	1,250.0
	<i>Masters</i>	\$ 12.5	50.0	62.5	62.5	62.5	62.5	-	-	-	-	300.0
	<i>Ph.D.s</i>	\$ 25.0	200.0	250.0	250.0	250.0	-	-	-	-	-	950.0
	<i>Inflation</i>	3.0%	-	46.9	95.2	144.9	39.2	-	-	-	-	326.1

* The indicated numbers of Masters and Ph.D. participants are illustrative and used for planning purposes only. Actual numbers may vary.

SEGA/MESP Detailed Commitment Estimates

4.2 Government Support		\$ 1,359.8	\$ 1,786.9	\$ 1,505.5	\$ 1,774.4	\$ 1,574.4	\$ 1,534.7	\$ 1,369.0	\$ 995.2	\$ 239.2	\$ 12,139.2
<i>Technical Assistance</i>		\$ 191.7	\$ 197.5	\$ 232.4	\$ 299.3	\$ 308.2	\$ 317.5	\$ 294.3	\$ 235.8	\$ 181.5	\$ 2,258.1
Person Mos	\$ 18.3	7.0	7.0	8.0	10.0	10.0	10.0	9.0	7.0	5.2	73.2
Funding, Total		\$ 191.7	\$ 197.5	\$ 232.4	\$ 299.3	\$ 308.2	\$ 317.5	\$ 294.3	\$ 235.8	\$ 181.5	\$ 2,258.1
Program		127.8	127.8	146.1	182.6	182.6	182.6	164.3	127.8	95.5	1,337.0
Mgt Fees	50.0%	63.9	63.9	73.0	91.3	91.3	91.3	82.2	63.9	47.8	668.5
Inflation	3.0%	-	5.8	13.3	25.4	34.4	43.6	47.8	44.1	38.2	252.6
<i>Research Support</i>		\$ 375.0	\$ 463.5	\$ 557.0	\$ 737.6	\$ 759.7	\$ 695.6	\$ 537.3	\$ 390.5	\$ -	\$ 4,516.1
Research Contracts	\$ 50	5.0	6.0	7.0	9.0	9.0	8.0	6.0	4.2	-	54.2
Funding, Total		\$ 375.0	\$ 463.5	\$ 557.0	\$ 737.6	\$ 759.7	\$ 695.6	\$ 537.3	\$ 390.5	\$ -	\$ 4,516.1
Program		250.0	300.0	350.0	450.0	450.0	400.0	300.0	211.7	-	2,711.7
Mgt Fees	50.0%	125.0	150.0	175.0	225.0	225.0	200.0	150.0	105.8	-	1,355.8
Inflation	3.0%	-	13.5	32.0	62.6	84.7	95.6	87.3	73.0	-	448.6
<i>Short-term Training</i>		\$ 375.0	\$ 695.3	\$ 716.1	\$ 737.6	\$ 506.5	\$ 521.7	\$ 537.3	\$ 369.0	\$ 57.7	\$ 4,516.1
Courses	\$ 50	5.0	9.0	9.0	9.0	6.0	6.0	6.0	4.0	0.6	54.6
Funding, Total		\$ 375.0	\$ 695.3	\$ 716.1	\$ 737.6	\$ 506.5	\$ 521.7	\$ 537.3	\$ 369.0	\$ 57.7	\$ 4,516.1
Program		250.0	450.0	450.0	450.0	300.0	300.0	300.0	200.0	30.4	2,730.4
Mgt Fees	50.0%	125.0	225.0	225.0	225.0	150.0	150.0	150.0	100.0	15.2	1,365.2
Inflation	3.0%	-	20.3	41.1	62.6	56.5	71.7	87.3	69.0	12.2	420.5
<i>Long-Term Advisors</i>		\$ 418.1	\$ 430.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 848.8
US Treasury *	\$ 418.1	1	1								
Funding, Total		\$ 418.1	\$ 430.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 848.8
Program		418.1	418.1	-	-	-	-	-	-	-	836.3
Mgt Fees	0.0%	-	-	-	-	-	-	-	-	-	-
Inflation	3.0%	-	12.5	-	-	-	-	-	-	-	12.5

* US Treasury Long-Term advisor for the Department of Finance is included here, but the funding mechanism is a transfer to the US Treasury.

SEGA/MESP Detailed Commitment Estimates

4.3 Think Tank Support		\$ 1,200.0	\$ 772.5	\$ 1,113.9	\$ 983.5	\$ 1,013.0	\$ 1,043.3	\$ 873.8	\$ -	\$ -	\$ 7,000.0
Institutional Grants	\$ 300	2	1	1							4.0
Programmatic Grants	\$ 200	1	1	2	3	3	3	2.4392			15.4
Funding, Total		\$ 1,200.0	\$ 772.5	\$ 1,113.9	\$ 983.5	\$ 1,013.0	\$ 1,043.3	\$ 873.8	\$ -	\$ -	\$ 7,000.0
Program		800.0	500.0	700.0	600.0	600.0	600.0	487.8	-	-	4,287.8
Institutional Grts		600.0	300.0	300.0	-	-	-	-	-	-	1,200.0
Program Grts		200.0	200.0	400.0	600.0	600.0	600.0	487.8	-	-	3,087.8
Mgt Fees	50.0%	400.0	250.0	350.0	300.0	300.0	300.0	243.9	-	-	2,143.9
Inflation	3.0%	-	22.5	63.9	83.5	113.0	143.3	142.0	-	-	568.2

SEGA/MESP Detailed Commitment Estimates

4.4 Centers of Excellence		\$ -	\$ 515.0	\$ 1,060.9	\$ 546.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,122.3
Funding, Total		\$ -	\$ 515.0	\$ 1,060.9	\$ 546.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,122.3
Program		-	333.3	666.7	333.3	-	-	-	-	-	-	1,333.3
Mgt Fees	50.0%	-	166.7	333.3	166.7	-	-	-	-	-	-	666.7
Inflation	3.0%	-	15.0	60.9	46.4	-	-	-	-	-	-	122.3
Support Services		\$ 85.0	\$ 149.4	\$ 154.1	\$ 251.3	\$ 168.8	\$ 173.9	\$ 185.1	\$ 319.8	\$ 196.7	\$	\$ 1,684.1
<i>In-Contract:</i>		\$ 60.0	\$ 61.8	\$ 63.7	\$ 65.6	\$ 67.5	\$ 69.6	\$ 71.6	\$ 73.8	\$ 76.0	\$	\$ 609.5
Funding, Total		\$ 60.0	\$ 61.8	\$ 63.7	\$ 65.6	\$ 67.5	\$ 69.6	\$ 71.6	\$ 73.8	\$ 76.0	\$	\$ 609.5
Program		40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0		360.0
Expanded Team Meetings	\$ 10	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0		90.0
Steering Committee Meetings	\$ 5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0		45.0
Results Reporting	\$ 25	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0		225.0
Mgt Fees	50.0%	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0		180.0
Inflation	3.0%	-	1.8	3.7	5.6	7.5	9.6	11.6	13.8	16.0		69.5
<i>Out-Contract:</i>		\$ 25.0	\$ 87.6	\$ 90.5	\$ 185.8	\$ 101.3	\$ 104.3	\$ 113.4	\$ 246.0	\$ 120.7	\$	\$ 1,074.6
Funding, Total		\$ 25.0	\$ 87.6	\$ 90.5	\$ 185.8	\$ 101.3	\$ 104.3	\$ 113.4	\$ 246.0	\$ 120.7	\$	\$ 1,074.6
Program		25.0	85.0	85.3	170.0	90.0	90.0	95.0	200.0	95.3		935.6
FSN Economist		-	60.0	60.0	65.0	65.0	65.0	70.0	70.0	70.0		525.0
Audit		-	-	-	30.0	-	-	-	30.0	-		60.0
RP Evaluation		-	-	-	50.0	-	-	-	75.0	-		125.0
Other		25.0	25.0	25.3	25.0	25.0	25.0	25.0	25.0	25.3		225.6
Mission Overhead	20	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0		180.0
SangoNet Sub.	0.3	-	-	0.3	-	-	-	-	-	0.3		0.6
Secretarial Support	5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0		45.0
Mgt Fees	0.0%	-	-	-	-	-	-	-	-	-		-
Inflation	3.0%	-	2.6	5.2	15.8	11.3	14.3	18.4	46.0	25.4		139.0
Total		\$ 3,894.8	\$ 4,833.1	\$ 5,492.2	\$ 5,263.0	\$ 3,107.9	\$ 2,752.0	\$ 2,427.8	\$ 1,315.0	\$ 435.9	\$	\$ 29,521.66

Attachment D

Request for Assistance



609524

ACTION
Control No. 609524
Date 07/10/96
Ref'd to PPAO
RIF
CHRON
Due date 07/17/96
Action taken
Date
Initials

Office of the
Executive Deputy President J.M. Mbeke

July 2, 1996

SUBJECT: SUPPORT FOR ECONOMIC GROWTH AND ANALYSIS/MANDELA
ECONOMICS SCHOLARS PROGRAM PROJECT

Mr Leslie A Dean
Director, USAID
P O Box 55380
ARCADIA
0007

Dear Mr Dean

The purpose of this letter is to request USAID assistance to support the Government of National Unity's efforts to promote economic growth, employment and redistribution. Specifically, we are requesting that we sign a bilateral grant agreement to implement the above mentioned project.

It is envisaged that the project will focus on strengthening the capacity of South Africa's governmental and non-governmental sectors to formulate, evaluate and implement economic policies to help promote economic growth and equity. The project would be implemented over a ten year period with a total cost of US\$40,000,000. Of this total, \$10,000,000 will be contributed by our Government and the cooperating non-governmental partners.

We believe that this project can make a significant contribution to our on-going and future efforts to combat and reverse the legacies of apartheid by promoting equitable economic growth and development in South Africa.

I remain,

Yours sincerely

18. Moss Ngoasheng
ECONOMIC ADVISOR



Attachment E

Members of the SEGA/MESP Steering Committees

SEGA/MESP Steering Committees

Policy Steering Committee

Purpose: To provide basic policy guidance and set guidelines for the running of the SEGA/MESP activities.

Government Members	Civil Society Members
1. Moss Ngoasheng, Economic Advisor, Office of the Executive Deputy President	1. Paul Graham, IDASA
2. Siphon Pityana, Director General, Department of Labour	2. Xolile Guma, AIPA
3. Maria Ramos, Director General, Department of Finance	3. Morley Nkosi, NIEP
4. Zavareh Rustomjee, Director General, Department of Trade and Industry	4. Deon Richter, DBSA

USAID: Richard Harber, SO4 Team Leader

SEGA Operational Steering Committee

Purpose: To provide operational guidance and assist in the implementation of the SEGA activities.

Government Members	Civil Society Members
1.	1. Ismail Adams, University of the Western Cape
2.	2. Namane Magau, DBSA
3.	3. Zunaid Moola, NIEP
4.	4. Patrick Ncube

USAID: Russell Hawkins, Sub-Team Leader for Government Support
Nompilo Mali, Sub-Team Leader for Think Tank Support

MESP Operational Steering Committee

Purpose: To provide operational guidance and assist in the implementation of the MESP activities.

Government Members	Civil Society Members
1.	1. Asghar Adezadeh, NIEP
2.	2. Siphewe Cele, DBSA
3.	3. Syed Huda, University of the Western Cape
4.	4. Pundy Pillay, Financial and Fiscal Commission

USAID: Mathata Madibane, Interim MESP Sub-Team Leader

Attachment F

Congressional Notification

5

UNCLAS ADM AID SECSTATE 174452
clansva:
ACTION: AID
INFO: DCM AMB

SO 4
Ric Harber

DISSEMINATION: AIDA
CHARGE: AID

VZCZCPC0854
OO RUEHSA
DE RUEHC #4452 2350056
ZNR UUUUU ZZH
O 220053Z AUG 96
FM SECSTATE WASHDC
TO AMEMBASSY PRETORIA IMMEDIATE 0677
BT
UNCLAS STATE 174452

ADM AID

E.O. 12958: N/A

TAGS:

SUBJECT: SUPPORT FOR ECONOMIC GROWTH AND ANALYSIS/MANDELA
ECONOMICS SCHOLARS PROGRAM (674-0321)

DATE: 08/22/96
ACTION INFO

THE CONGRESSIONAL NOTIFICATION FOR ABOVE PROJECT FOR U.S.
DOLS 4,800,000 EXPIRED ON AUGUST 3, 1996 WITHOUT
OBJECTION. OBLIGATION MAY NOW BE INCURRED.
TALBOTT
BT
#4452
NNNN

DIR	
DDIR	
PPDO	
PLA	
RCO	
CONT	
ENO	
FEB	
GSD	
SQ-1	
SQ-2	
SQ-3	
SQ-4	
SQ-5	
SQ-6	
SGHON	
SBF	
CONSON	
RF	

REPLY DUE: 08/22/96
ACTION/TAKE:
INITIAL/DATE
OFFICE LOCATIO

307

JUL 19 1996

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
ADVICE OF PROGRAM CHANGE

Program: South Africa
Project Title: Support for Economic Growth and
Analysis/Mandela Economics Scholars
Program (SEGA/MESP)
Project Number: 674-0321
FY 1996 CP Reference: None
Appropriation Category: Development Assistance (DA)
Life-of-Project Funding: \$30,000,000 (DA)
Intended FY 1996 Obligation: \$ 4,800,000 (DA)

This is to advise that USAID intends to obligate \$4,800,000 from the Development Assistance Account during FY 1996 for the activity described in the attached data sheet.

The purpose of this project is to improve the capacity of key South African government and non-government entities to formulate, evaluate and implement economic policies to promote economic growth and equity.

This is a new project and was not included in the FY 1996 CP.

Africa Bureau, USAID/South Africa manages this project.

Attachment: Activity Data Sheet

**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
ACTIVITY DATA SHEET**

PROGRAM: SOUTH AFRICA

CP 81-05 (4-15)

TITLE SUPPORT FOR ECONOMIC GROWTH AND ANALYSIS		FUNDING SOURCE DA	PROPOSED OBLIGATION (In thousands of dollars)		
			FY 96 \$4,800	LIFE OF PROJECT (Auth.) 30,000	
NUMBER 674-0321 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	PRIOR REFERENCE None	INITIAL OBLIGATION FY 96	ESTIMATED FINAL OBLIGATION FY 01	ESTIMATED COMPLETION DATE OF PROJECT FY 05

Purpose: The purpose of the Support for Economic Growth and Analysis / Mandela Economic Scholars Program (SEGA/MESP) is to improve the capacity of key South African government and non-government entities to formulate, evaluate and implement economic policies to promote economic growth and equity.

Background: While South Africa's political transition has captured the attention of the world, the Government of National Unity (GNU) faces a wide range of problems including wide spread poverty, unemployment and inequality, and inadequate economic growth to generate the resources to address these problems. In addition, due to the effects of past apartheid policies, there is a shortage of groups and individuals with strong economic backgrounds and training within South Africa's historically disadvantaged population. As a result, there is a limited ability of those from the historically disadvantaged population to participate in the formulation and implementation of economic policies to address the country's critical economic problems.

Program Description: The SEGA/MESP activity is designed to support four general results (see below). The Mandela Economic Scholars Program, one of the initial activities under the South Africa-United States Binational Commission, will fund approximately 200 person-years of U.S. post-graduate training in economics for current or future civil servants. The goal is to create a cadre of trained individuals that can form the core of a continuing effort to generate growth and equity promoting policy positions. The SEGA portion of the activity will provide funding for (1) technical assistance, short-term training, and research support for selected government departments involved in economic policy matters; (2) technical assistance, short-term training, institutional grants and programmatic grants to support the establishment of sustainable "think tanks" within the historically disadvantaged population; and (3) the strengthening of economics education (in concert with the Mission's Tertiary Education Linkages Project) within South Africa's historically disadvantaged tertiary education system through the establishment of an "Economics Center of Excellence" in at least one of the these institutions. The Department of Treasury will provide technical assistance in budgeting and fiscal management to the South African Ministry of Finance.

Relationship to USAID Country Strategy: This activity directly supports USAID's goal of Economic Growth. USAID/South Africa's strategic plan includes a total of six strategic objectives addressing six broad areas of South Africa's needs, including democracy and governance, education, health, economics, private sector development, and housing and urban development. The SEGA/MESP activity will be the primary activity for implementing the Mission's fourth strategic objective which is the same as the SEGA/MESP purpose given above.

Beneficiaries: The direct beneficiaries of the activities will be those individuals and organizations receiving training and support. The ultimate beneficiaries, however, are expected to be all the people of South Africa who will benefit from an improved economic policy environment and the resulting improved economic performance.

Host Country and Other Donors: The GNU recognizes the need to promote economic growth and to improve economic equity. These goals were an integral part of the Reconstruction and Development Program and form the primary focus of the National Growth and Development Strategy. Other donors involved in complementary efforts include the European Union, the United Kingdom, Australia and the World Bank.

Results: The overall impact of this activity will be more effective cooperation between government and civil society in developing and implementing economic growth policies. Institutionally, several government departments responsible for economic policies will be providing better analysis and information to decision makers to inform policy options. Several civil society organizations will be actively and effectively influencing the policy process through analytical work. At least one historically disadvantaged university will be providing quality, policy-related economics education. Within the public sector, at least 60 additional historically disadvantaged South African U.S. trained economists will be actively engaged in pivotal, economic policy analysis/implementation/assessment assignments focusing on relevant economic issues.

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES
	Obligations	Expenditures	Unliquidated	
Through September 30, 1994	0	0	0	Principal contractors to be determined. Department of Treasury.
Estimated Fiscal Year 1995	0	0		
Estimated Through September 30, 1995	0	0		
		Future Year Obligations	Estimated Total Cost	
Fiscal Year 1996	4,800	25,200	30,000	



United States
Agency for
International
Development

memorandum

DATE: 23 August 1996

TO: SO4, SEGA/MESP RP Files

FROM: Richard Harber, SO4 Team Leader 

SUBJECT: Minutes of the Meeting of the Results Package Review for the Support for Economic Growth and Analysis and Mandela Economics Scholars Program (SEGA/MESP) Results Package

Details of the Meeting

Date: 22 August 1996
Time: 1030 hours-1130 hours
Venue: Director's Conference Room, 9th Floor, USAID/South Africa

Minutes

1. The Results Package Review Committee was called to order by the Jim Harmon who chaired the meeting. In attendance at the meeting were the following individuals: Aaron Williams (DIR), Henry Reynolds (D/DIR), Karen Freeman (PPDO), Jim Harmon (PPDO), Nokuzola Mamabola (PPDO), Bill Livengood (CONT), Annelie van de Venter (CONT), Andrew Lehave (CONT), Pitsi Semenya (CONT), Paul Weisenfeld (RLA), John McAvoy (RCO), Steve Brent (TL, SO1), William Duncan (TL, SO2), Anita Sampson (SO3), Richard Harber (TL, SO4), Nompilo Mali (SO4), Margot Ellis (TL, SO5), and Russell Hawkins (SO6). This attendance satisfied the requirements laid out in Appendix A to Mission Order 405 dealing with the approval of Results Packages.

2. Since people had had a chance to read the Results Package (RP) or the summary which was included in the issues paper (attached), the formality of reviewing the content of the RP was passed over and a discussion of the issues as presented in the issues paper ensued.

Issue 1. In light of staff control numbers given the Mission as part of the R2b process and the Mission's response to those numbers, is the Mission committed to pursuing SO4 and this Results Package?

Discussion: In the process of preparing the Mission's resource request (R2b), USAID/W provided staff control numbers that significantly reduce the size of Mission staff between now and FY1998. While the Mission has received some relief for fiscal years 1996 and 1997, the control numbers for FY 1998 still represent constraints for the effective

management and implementation of the Mission's program. In response to the lowest staffing control numbers, the Mission has proposed a scaling back of the program. For Strategic Objective 4, the proposed action is to continue only with the Mandela Economics Scholars Program. The Mission has submitted a *reclama* in to USAID/W arguing for increased staff numbers for FY 1998 and beyond. The Africa Bureau's position on this *reclama* is favorable to the Mission, but the Bureau's position must be reviewed and approved by the Management Bureau.

As discussed in the RP, the implementation of this RP requires one USDH staff person, one dedicated FSN economist, and assistance from other SO4 team members equivalent to approximately two FSN professionals. This is in addition to the support from the Mission's support offices, i.e., Controller, PPDO, RLA, RCO and EXO. To date SO4 has been fortunate to be able to count on the support and work of staff from other SO teams. If the Mission's request for increased staff numbers, is denied it is unlikely that this level of effort will be able to continue from team members whose "home base" is not SO4. In this case, the management viability of the RP and SO is questionable.

Thus the question at hand is whether or not the Mission should proceed with this RP in its entirety at this time. The options for addressing this question are:

- A. Based on the assumption that the Mission will not get staffing relief for FY 1998 and beyond, this RP should be reduced to only the Mandela Economics Scholars Program and the RP be transferred to SO2 for implementation as proposed in response to the staffing cuts from USAID/W.
- B. The Mission should make a full commitment to SO4 and this RP at this time. In this case, current staffing of one USDH and one FSN will be maintained for the SO and if work loads with reduced staffing levels threaten the management viability of the SO, at least one and up to two FSN positions be transferred to SO4 from another office or SO. Such positions would be financed by a restructuring of the RP budget.
- C. The Mission should proceed with the SO and RP as developed, but recognize that we may need to significantly curtail the RP if staffing relief is not received. In this case, support to the government would be terminated once the initial implementation activities are completed, no further think tank grants would be made in FY 1997 or beyond, and the plans to support a Center of Excellence in Economics would not be pursued. This option presents the Mission with the possibility of a certain degree of embarrassment by initiating the full activity and then cutting back significantly shortly after such initiation.

Resolution: Given the uncertainty of the situation and the Africa Bureau's support for the Mission's *reclama*, it was decided that option C above represents the most prudent course of action at this time.

Issue 2. Can this RP be formally approved prior to the receipt of the USAID/W cable approving the Mission's Country Strategic Plan (CSP)?

Discussion: Per 95 State 23917 Mission Directors have authority to approve Results

Packages that are within the scope of their Mission's approved Country Strategic Plan. USAID/SA Mission Order 202(A), Section III(A)(1)(b) relegates this authority to Strategic Objective Team Leaders.

Strategic Objective Four represents a new element for USAID/South Africa's program. It was included in the CSP submitted to and reviewed by Washington in May 1996. Correspondence with AFR/SA and AFR/DP has indicated that this RP cannot be formally approved until the CSP Review Cable or a cable specifically authorizing the Mission to approve the SEGA/MESP RP has been received.

Resolution: While this was an issue at the time the issues paper was prepared, the CSP review cable has arrived. It explicitly authorizes the Mission to proceed with the development and authorization of the SEGA/MESP Results Package.

Issue 3. Has the Country Checklist been prepared and cleared by USAID/W?

Discussion: The Country Checklist is prepared annually by the Country Development Officer and cleared by the Office of the General Council in Washington. The purpose of the checklist is to certify the eligibility, in terms of the requirements of the Foreign Assistance Act and other U.S. laws, of the country in question to receive U.S. assistance. This Checklist is required prior to the initial obligation of funds to a government in each fiscal year. The Mission has yet to receive an approved Country Checklist for South Africa or notification that this checklist has been prepared and approved by the Office of the General Council.

Resolution: It was decided that the SO4 Team should proceed with the finalization of the RP and the negotiation of the bilateral agreement for these activities, but that these items not be signed until the Mission receives the cleared Country Checklist or receives a fax cleared by the Office of the General Council indicating that the Country Checklist has been prepared and cleared.

Issue 4. Has the Congressional Notification cleared Congress without objection?

Discussion: The Congressional Notification for this Results Package was sent to the Hill on 19 July 1996. Thus, if no holds were imposed, the fifteen day waiting period ended on 3 August 1996. We have yet to receive a cable notifying the Mission that the Congressional Notification cleared without objection; however, we have also not been informed that a hold has been placed on this notification.

Resolution: It was decided that the SO4 Team should proceed with the finalization of the RP and the negotiation of the bilateral agreement for these activities, but that these items not be signed until the Mission receives a cable notifying us that the CN has cleared without objection.

3. Following the consideration of the issues presented in the issues paper, other issues were solicited from the meeting. This resulted in the discussion of the following issue and concern.

Issue 5. Will the Office of the Executive Deputy President have the administrative capability to implement the activities proposed under this RP?

Discussion: A number of Departments within the Government of the RSA have experienced difficulties in implementing bilateral agreements with USAID due to a lack of staffing and administrative capacity to handle the extra workload. This situation presents a potential bottleneck for SEGA/MESP implementation due to the lead role which must be played by the Office of the Executive Deputy President which does not focus its primary attention on program management.

Resolution: It was decided that the RP should allow for the possible provision of technical support to the Office of the Executive Deputy President to strengthen program management capabilities, if needed.

In addition to this issue, the following concern was raised and discussed.

Center(s) of Excellence: The successful implementation of this activity will be highly dependent on its conformity with the SO2 program and support of the SO2 Team. At present, little or no clarity exists on what the centers will look like, and in the extreme, whether they will even materialize as SO2 program interventions. Therefore, specifics can not be developed at present on the exact nature of support to be provided to an Economic Center(s), the institution(s) to be selected and the implementation mechanisms to be employed. Further, given the uncertainties of future staffing in the Mission, there is no assurance that critical SO2 staff support will be available to assist SO4 with the implementation of the Economic Center(s) under a low staffing scenario. SO2 has stated that sufficient SO2 Team support will be provided to this RP if the relatively higher staffing level currently being reviewed by the Management Bureau is approved.

4. The meeting concluded with the approval of the Results Package and with agreement that the SO4 Team should proceed with the finalization of the Results Package and the obligation of the FY96 SEGA/MESP funds once we (a) incorporate the recommendations of the review into the RP; (b) receive notification that the Congressional Notification cleared the Hill without objection; and (c) receive the cleared FY 1996 Country Checklist for South Africa.

5. The meeting was adjourned at 1130 hours.

CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

DATE: July 19, 1996

We wish to inform you of proposed actions in the Agency's programs in Fiscal Year 1996.

Nicaragua TNs:

- Private Agricultural Services
- CIAV/OAS Human Rights Strengthening

Peru TN:

- Narcotics Education and Community Initiatives

✓ South Africa:

- Basic Shelter and Environment Housing Guaranty Program

Morocco:

- Urban Infrastructure, Land Development and Financing

✓ South Africa:

- Support for Economic Growth and Analysis/Mandela Economics Scholars Program

The attached notification was sent to the Hill on July 19, 1996. Obligation may be incurred on August 3, 1996.

Barbara Bennett
Barbara Bennett

Bureau for Legislative and Public Affairs

Attachment G

**Cable Approving USAID/South Africa's
Country Strategic Plan**

CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

DATE: July 19, 1996

We wish to inform you of proposed actions in the Agency's programs in Fiscal Year 1996.

Nicaragua TNS:

- Private Agricultural Services
- CIAV/OAS Human Rights Strengthening

Peru TN:

- Narcotics Education and Community Initiatives

✓ South Africa:

- Basic Shelter and Environment Housing Guaranty Program

Morocco:

- Urban Infrastructure, Land Development and Financing

✓ South Africa:

- Support for Economic Growth and Analysis/Mandela Economics Scholars Program

The attached notification was sent to the Hill on July 19, 1996. Obligation may be incurred on August 3, 1996.

Barbara Bennett
Barbara Bennett

Bureau for Legislative and Public Affairs

APPR: CP *(CP)*

DRAFT: WE/KK *(KE)*

CLEAR: ()

UNCLASSIFIED

AID/AFR/SA:WELLIOTT/AFR/DP:KKEEL:BJB:CSP.CAB
08/1/96 O:\SAPUB\DOCS\CSP2A.CAB;7-4289
AID/A-AA/AFR:CPEASLEY

AID/SA/AFR:J HALE (DRAFT)	AID/M/B:D HARRISON (DRAFT)
AID/AFR/AMS:B RYNER (DRAFT)	STATE/AF/S:G SOUTHERN (DRAFT)
AID/AFR/SD:J WOLGIN (DRAFT)	AID/AFR/DP:J GOVAN (DRAFT)
AID/G/PDSP:L DOBBINS (DRAFT)	AID/PPC/PC:K SCHWARTZ (DRAFT)

ROUTINE PRETORIA

AIDAC GABORONE FOR RCSA

E.O. 12958: N/A

TAGS:

SUBJECT: USAID/SOUTH AFRICA COUNTRY STRATEGIC PLAN
PROGRAM REVIEW

1. SUMMARY:

THE WASHINGTON REVIEW OF USAID SOUTH AFRICA'S 1996-2005 COUNTRY STRATEGIC PLAN (CSP) WAS HELD MAY 2-8, 1996. CHAIRED BY DAA/AFR CAROL PEASLEY AND WRAPPED-UP BY AA/AFR JOHN HICKS, PROGRAM WEEK WAS CHARACTERIZED BY HIGH INTEREST, EXTENSIVE DISCUSSION, AND BROAD PARTICIPATION THROUGHOUT THE AGENCY. AS THE CULMINATION OF A PLANNING PROCESS BEGUN IN FEBRUARY 1995, THIS GRADUATION STRATEGY REFLECTS BOTH THE HIGH PROFILE OF THIS PROGRAM AND THE NEED TO SHOW THE BROAD-BASED AND LONG-TERM IMPACT USAID'S RESOURCES WILL HAVE ON THE SOUTH AFRICAN PEOPLE. AGENCY SENIOR MANAGERS AGREED THAT THE PROPOSED STRATEGY IS APPROPRIATELY CONCEIVED AND TARGETED, RECOGNIZING THAT FINAL APPROVAL IS CONTINGENT ON THE MISSION'S COMPLETING ADDITIONAL WORK ON STRATEGIC OBJECTIVES AND SUBMITTING A REVISED CSP AND PERFORMANCE MONITORING PLAN TO USAID/W. THESE REVISED PLANS, WHICH WILL INCORPORATE DECISIONS FROM THIS YEAR'S "RESOURCE REQUEST" (R2B) REVIEWS, WILL ENABLE

UNCLASSIFIED

UNCLASSIFIED

2

THE MISSION AND USAID/W TO FORMALLY APPROVE THE STRATEGY AND FINALIZE A CSP MANAGEMENT CONTRACT. END SUMMARY.

2. PROGRAM WEEK DECISION MEETING: OPENING COMMENTS

A. JOHN HICKS OPENED THIS MEETING REFLECTING ON HIS RECENT PARTICIPATION IN THE SOUTH AFRICA INTERNATIONAL DEVELOPMENT FORUM (SAIDF) IN PRETORIA. HE NOTED THAT THE COUNTRY'S CONSIDERABLE ENDOWMENT OF WEALTH AND CAPACITY, AND ITS DEEP COMMITMENT TO SELF-MOTIVATED SUCCESS, HAVE HELPED CREATE A HIGH DEGREE OF INDEPENDENCE AS SOUTH AFRICANS CHART THEIR OWN COURSE IN ECONOMIC DEVELOPMENT AND DONOR PARTNERSHIPS. THE USAID PROGRAM SHOULD BE REVIEWED IN THIS CONTEXT, KEEPING IN MIND THE IMPORTANT DEVELOPMENTS THAT HAVE TAKEN PLACE SINCE THE ADVENT OF DEMOCRACY -- THE MOST TIMELY BEING THE RECENT ADOPTION OF THE COUNTRY'S FIRST DEMOCRATIC CONSTITUTION. MR. HICKS EXPRESSED HIS DESIRE THAT THE SAME SPIRIT OF COOPERATIVE ENGAGEMENT AND COMPROMISE THAT LED SOUTH AFRICA TO THIS NOTEWORTHY ACHIEVEMENT SHOULD GUIDE THE DELIBERATIONS AND DECISIONS MADE IN THIS FINAL MEETING OF PROGRAM WEEK. USAID/SOUTH AFRICA WAS REPRESENTED BY CAP DEAN, MISSION DIRECTOR, JOHN WOOTEN, DIRECTOR, OFFICE OF PROGRAM AND PROJECT DEVELOPMENT, STEVE BRENT, DEMOCRACY AND GOVERNANCE TEAM LEADER, KAREN FREEMAN, PROGRAM OFFICER, FAAROOQ MANGERA, DEMOCRACY AND GOVERNANCE SPECIALIST, AND MARIA BEEBE, SOCIAL SCIENTIST.

B. AA/AFR ALSO NOTED THAT THE CLINTON ADMINISTRATION, THE CONGRESS, AND U.S. TAXPAYERS MUST UNDERSTAND CLEARLY WHAT WE EXPECT OUR PROGRAM IN SOUTH AFRICA TO ACHIEVE AND WHAT CONDITIONS WE EXPECT TO LEAVE IN PLACE BY 2005, GIVEN THE COUNTRY'S CONSIDERABLE ENDOWMENTS. WE MUST BE ABLE TO EXPLAIN TO BOTH THE ADMINISTRATION AND TO OUR CRITICS THE RATIONALE FOR INVESTING SO MUCH IN SOUTH AFRICA WHEN NEEDS ARE EQUALLY GREAT ELSEWHERE.

C. MR. HICKS CONCLUDED HIS REMARKS BY EXPRESSING THE AGENCY'S APPRECIATION FOR AND CONTINUED COMMITMENT TO THIS CHALLENGING PROGRAM. HE EMPHASIZED THAT THE "GRADUATION" THEME SHOULD NOT BE TAKEN LIGHTLY, AS IT OFFERS USAID A UNIQUE OPPORTUNITY TO HELP PROMOTE SUSTAINABLE DEVELOPMENT IN SOUTH AFRICA AND WITHIN THE REGION.

D. MISSION DIRECTOR CAP DEAN EXPRESSED HIS AND HIS STAFF'S APPRECIATION FOR THESE COMMENTS AND FOR USAID/W'S KEEN INTEREST IN THE SOUTH AFRICA PROGRAM. HE WAS PLEASED WITH THE SCOPE AND LEVEL OF AGENCY PARTICIPATION IN THE CSP REVIEW, NOTING THE VALUE-ADDED THAT THESE BROAD-BASED DISCUSSIONS BROUGHT TO THE STRATEGIC PLANNING PROCESS.

UNCLASSIFIED

UNCLASSIFIED

3

3. OVERARCHING ISSUES

A. THE PROGRAM REVIEW INDICATED THAT IN ADDITION TO MANY TECHNICAL ISSUES ON SPECIFIC STRATEGIC OBJECTIVES (S.O.), THERE WERE THREE BROAD BUT FUNDAMENTAL CROSS-CUTTING ISSUES THAT PROVIDED THE FOCUS FOR MOST OF THE DISCUSSION.

B. THE FIRST CONCERNED THE DEVELOPMENT HYPOTHESIS OR "CAUSAL FRAMEWORK" FOR EACH S.O., NOTING THAT THE LINKAGES BETWEEN INTERMEDIATE RESULTS AND THE STRATEGIC OBJECTIVE WERE UNCLEAR. THERE WERE ALSO QUESTIONS ABOUT ILLUSTRATIVE APPROACHES AND HOW RESULTS WOULD ACTUALLY BE ACHIEVED.

C. THE SECOND CONCERNED WHETHER THE LEVEL OF RESULT ARTICULATED IN THE S.O. MADE SENSE, GIVEN THE SCOPE OF USAID'S INTERVENTIONS AND THOSE OF ITS PARTNERS; AND WHETHER THE MAGNITUDE OF CHANGE EXPECTED OVER THE PLANNING PERIOD WAS UNDERSTOOD AND CLEARLY ARTICULATED. SINCE THIS IS A GRADUATION STRATEGY AIMED AT SUSTAINABLE CHANGE, PARTICIPANTS ALSO WANTED TO KNOW "EXIT BENCHMARKS" THAT CLARIFY WHAT WILL BE LEFT BEHIND.

D. THE THIRD FOCUSED ON PERFORMANCE MONITORING AND REPORTING, I.E., THE EXISTENCE AND APPROPRIATENESS OF INDICATORS, BASELINE AND DATA COLLECTION TIMELINES, AND WHETHER THE MONITORING SYSTEM AS PRESENTED WOULD ALLOW THE MISSION TO CAPTURE RESULTS AND CONVEY THEIR SIGNIFICANCE. THE MISSION HAS TO BE ABLE TO ANSWER THE QUESTION "WHAT DOES IT ALL ADD UP TO?"

E. THE MISSION ADDRESSED THESE OVERARCHING ISSUES BY PRESENTING ONE-PAGE "COMMON SENSE" VISION STATEMENTS FOR EACH S.O. AT THE DECISION MEETING. IN GENERAL, THESE STATEMENTS LAID OUT THE CONDITIONS THE MISSION EXPECTS TO SEE IN SOUTH AFRICA IN THE YEAR 2005 AS A RESULT OF OUR VARIOUS ACTIVITIES. THEY CLARIFIED SEVERAL OF THE RESULTS AND CHANGES WE COULD EXPECT TO SEE, GIVEN THE PROGRAM'S FOCUS ON POLICIES, SYSTEMS, AND INSTITUTIONAL CAPACITIES. THEY ALSO OUTLINED EXIT BENCHMARKS AND PROVIDED ADDITIONAL INFORMATION ON PERFORMANCE MEASUREMENT AT THE S.O. LEVEL. PARTICIPANTS ALSO DISCUSSED ISSUES AND MAJOR CONCLUSIONS FOR EACH S.O. DURING PROGRAM WEEK, AS DETAILED BELOW.

4. DISCUSSION OF STRATEGIC OBJECTIVES

A. S.O.1: DEMOCRACY, GOVERNANCE AND THE CAPACITY FOR PARTICIPATORY DEVELOPMENT STRENGTHENED

(1) ISSUE: HOW CAN WE DOCUMENT RESULTS AND THE MAGNITUDE OF CHANGE IN THE ABSENCE OF INDICATORS AT THE S.O. LEVEL?

UNCLASSIFIED

UNCLASSIFIED

4

(2) DISCUSSION/RESOLUTION: ESTABLISHING APPROPRIATE D/G BASELINES, TARGETS AND MONITORING STRATEGIES REPRESENTS A CONTINUING CHALLENGE ACROSS THE AGENCY. THE MAGNITUDE OF THE D/G ISSUES COMPARED TO THE LEVEL OF USAID RESOURCES AVAILABLE FOR THIS SECTOR INTENSIFIES THIS CHALLENGE IN SOUTH AFRICA. REVIEWERS RECOGNIZED THE FLUIDITY OF THE SOUTH AFRICAN D/G SITUATION AND THE EVOLVING NATURE OF PERFORMANCE MONITORING TOOLS, TECHNIQUES, AND STRATEGIES WILL BE ONGOING, AND ENCOURAGED THE MISSION TO WELCOME SUGGESTIONS FROM USAID/W FOR THE REFINEMENT OF INDICATORS.

(3) NEXT STEPS: THE MISSION, WORKING WITH THE EXPANDED S.O. TEAM, SOUTH AFRICAN PARTNERS, AND USAID/W, WILL DEVELOP APPROPRIATE INDICATORS, BASELINE, AND PERFORMANCE TARGETS. ALREADY (MID-JULY) TWO MEMBERS OF THE GLOBAL DEMOCRACY CENTER HAVE HELPED THE MISSION REVIEW THE RESULTS FRAMEWORK AND PUT IN PLACE REALISTIC INDICATORS. SEVERAL INTERMEDIATE RESULTS WERE CHANGED SLIGHTLY TO MORE TIGHTLY FOCUS SUPPORT FOR THE CONSOLIDATION PROCESS AND PARTICIPATORY GOVERNANCE. USAID/W UNDERSTANDS THAT THE MISSION IS CONSIDERING MODIFYING THIS S.O. TO READ "DEMOCRATIC CONSOLIDATION AND PARTICIPATORY GOVERNANCE STRENGTHENED." (AS NOTED IN ABOVE, ANY CHANGES TO S.O. WORDING WILL HAVE TO BE FORMALLY APPROVED BY USAID/W.)

B. S.O. 2: TRANSFORMED EDUCATION SYSTEM BASED ON EQUITY, ACCESS, AND QUALITY

(1) ISSUES: DOES IT MATTER THAT HIGHER EDUCATION IS NOT PART OF THE AGENCY'S STRATEGIC FRAMEWORK? WHAT KIND OF RESULTS AND CHANGES SHOULD WE ANTICIPATE FOR OUR EDUCATION ACTIVITIES?

(2) DISCUSSION/RESOLUTION: THE CSP'S STRATEGIC FOCUS SUPPORTS THE TRANSFORMATION OF SOUTH AFRICA'S EDUCATIONAL POLICIES AND SYSTEMS, INCLUDING BASIC, FURTHER, AND HIGHER EDUCATION. WHILE HIGHER EDUCATION IS NOT YET PART OF THE AGENCY'S STRATEGIC FRAMEWORK, AA/AFR HICKS CONCLUDED THAT THIS THRUST SUPPORTS OVERALL AGENCY GOALS, REFLECTING THE SPECIAL CASE OF APARTHEID AND CLEAR DIRECTION FROM CONGRESS. THE MISSION RECOGNIZED THE NEED TO DEVELOP MORE CONCISE INDICATORS AND TARGETS FOR THIS S.O.

(3) NEXT STEPS: ADDITIONAL WORK IS NEEDED IN ESTABLISHING INDICATORS, BASELINES, AND TARGETS. USAID/W UNDERSTANDS THAT AFR/SD TDY ASSISTANCE IN JUNE AND JULY GOT THIS PROCESS OFF TO A GOOD START.

C. S.O.3: MORE EQUITABLE, UNIFIED, AND SUSTAINABLE SYSTEMS DELIVERING INTEGRATED PRIMARY HEALTH

UNCLASSIFIED

UNCLASSIFIED

5

CARE.

(1) ISSUES: WOULDN'T THE SIGNIFICANCE OF THE HIV/AIDS PROBLEM WARRANT A MORE CONCERTED EFFORT? ALSO, ARE THERE MORE APPROPRIATE INDICATORS FOR MEASURING PRIMARY HEALTH CARE UTILIZATION?

(2) DISCUSSION/RESOLUTION: GIVEN THE MAGNITUDE OF THE HIV/AIDS PROBLEM IN SOUTH AFRICA AND ALONG ITS BORDERS, THE MISSION AGREED TO DEVELOP AN INTERMEDIATE RESULT (I.R.) FOR HIV/AIDS, ALONG WITH INDICATORS AT BOTH THE S.O. AND I.R. LEVELS. THE MISSION IS PREPARED TO ACCEPT FURTHER EARMARKED HIV/AIDS FUNDS AND AGREED TO WORK WITH AFR/SD IN IDENTIFYING A MECHANISM TO DELIVER A BROADER SET OF HIV/AIDS MITIGATION ACTIVITIES. THE MISSION ALERTED USAID/W THAT ADDITIONAL HIV/AIDS EFFORTS WOULD REQUIRE ADDITIONAL STAFF. THERE WAS ALSO CONCERN WHETHER THIS S.O., CURRENTLY TARGETED IN THE EASTERN CAPE, COULD BE EFFECTIVELY REPLICATED IN THE OTHER EIGHT PROVINCES WITHIN THE RELATIVELY SHORT TIMEFRAME -- RECOGNIZING THAT SHARING LESSONS LEARNED WILL BE ON A CONTINUING BASIS AND NOT LIMITED TO YEARS 4-7 OF THE CSP.

(3) NEXT STEPS: THE MISSION WILL WORK WITH AFR/SD IN ESTABLISHING AN I.R. ON HIV/AIDS, INDICATORS AT THE S.O. AND I.R. LEVELS, AND A MECHANISM FOR SUPPORTING NEW HIV/AIDS ACTIVITIES. STAFFING CONCERNS WILL BE DISCUSSED WITH AFR/SA AND AFR/AM, AS WELL AS IN THE BUREAU'S R2B REVIEWS. THE MISSION AND ITS PARTNERS WILL ALSO REVIEW AND REFINE (AS NECESSARY) THE CAUSAL LINKAGES BETWEEN THE INTERMEDIATE RESULTS AND THE OVERALL STRATEGIC OBJECTIVE, AND IDENTIFY APPROPRIATE INDICATORS, BASELINES AND TARGETS AT ALL LEVELS. PARTICULAR EMPHASIS SHOULD BE GIVEN TO MEASURING HEALTH CARE UTILIZATION.

D. S.O. 4: IMPROVED CAPACITY OF KEY GOVERNMENT AND NGO ENTITIES TO FORMULATE, EVALUATE, AND IMPLEMENT ECONOMIC POLICIES AND PROMOTE ECONOMIC GROWTH AND EQUITY.

(1) ISSUES: THERE WERE NO ISSUES FOR THE DECISION MEETING.

(2) DISCUSSION: REVIEWERS REAFFIRMED THAT USAID'S FOCUS ON CAPACITY DEVELOPMENT IS THE MOST EFFECTIVE MEANS TO SUPPORT SOUTH AFRICA'S LEADERSHIP ROLE IN CHARTING ITS ECONOMIC POLICY AGENDA, RECOGNIZING THAT THIS S.O. HAS THE POTENTIAL OF BEING "LOW-COST AND HIGH-IMPACT". THERE WAS ALSO AGREEMENT THAT THE PROPOSED QUALITATIVE MEANS OF ASSESSING IMPACT AT THE S.O. ARE APPROPRIATE.

UNCLASSIFIED

UNCLASSIFIED

6

(3) NEXT STEPS: MISSION MAY PROCEED WITH THE DESIGN AND AUTHORIZATION OF THE SUPPORT FOR ECONOMIC GROWTH AND ANALYSIS/MANDELA ECONOMIC SCHOLARSHIP (SEGA/MESP) RESULTS PACKAGE. IN DESIGNING THE RESULTS PACKAGE FOR THIS S.O., THE MISSION SHOULD CONSIDER ESTABLISHING CRITERIA FOR PRIORITIZING ITS TECHNICAL ASSISTANCE AND TRAINING ACTIVITIES.

E. S.O. 5: IMPROVED ACCESS TO FINANCIAL MARKETS FOR THE HISTORICALLY DISADVANTAGED POPULATION

(1) ISSUES: WHAT IS THE CAUSAL RELATIONSHIP BETWEEN THE INTERMEDIATE RESULTS AND THE S.O.? HOW WILL THE MISSION MEASURE THE PROGRAM'S CONTRIBUTION TO INCREASING INCOME AND EMPLOYMENT? HOW CAN THE MISSION HELP REPLICATE ITS SUCCESSFUL MODELS AND MEASURE THE PROGRESS AND IMPACT AT A MORE SYSTEM-WIDE LEVEL?

(2) DISCUSSION/RESOLUTION: THERE WAS BROAD CONSENSUS THAT THE FOCUS OF THIS S.O. SHOULD NOT JUST BE ON WHAT WE ARE DOING DIRECTLY WITH SOUTH AFRICAN FINANCIAL MARKETS, BUT HOW OUR SUCCESSES CAN BE USED AS MODELS FOR FURTHER EXPANSION AND ACCESS, AS WELL AS POSSIBLE REPLICATION. SUCH AN APPROACH WILL MAXIMIZE IMPACT OF USAID- AND RELATED PARTNER-SUPPORTED ACTIVITIES. INDICATORS FOR THIS S.O., PARTICULARLY THOSE MEASURING OVERALL INCOME AND EMPLOYMENT, SHOULD CAPTURE THIS FOCUS.

(3) NEXT STEPS: THE MISSION AGREED TO MONITOR THE STATUS OF FINANCIAL MARKETS BEYOND USAID'S INTERVENTIONS IN ORDER TO DETERMINE WHETHER PROGRAM RESOURCES ARE BEING DIRECTED TO THE AREAS OF GREATEST NEED AND ARE HAVING THE HIGHEST IMPACT. THEY WILL ALSO REEXAMINE THE RESULTS FRAMEWORK AND REORIENT PERFORMANCE INDICATORS TO REFLECT A BROADER ACCESS TO THE DISADVANTAGED POPULATION. ALL AGREED THAT "THE NUMBER OF LOANS" WAS NOT SUFFICIENT TO ASSESS THE SYSTEMIC CHANGE WHICH THE MISSION INTENDS TO HAVE UNDER THIS S.O. THE MISSION WAS ALSO ENCOURAGED TO ARRANGE WORKSHOPS AND PUBLICATIONS THAT DISSEMINATE THE LESSONS LEARNED AND IMPACT ACHIEVED FROM SUCCESSFUL MODELS.

F. S.O. 6: IMPROVED ACCESS TO ENVIRONMENTALLY SUSTAINABLE SHELTER AND URBAN SERVICES

(1) ISSUES: GIVEN THE AGENCY'S COMMITMENT TO PRESERVING THE ENVIRONMENT AND THE OPPORTUNITY TO CARRY OUT A SIGNIFICANT URBAN ENVIRONMENTAL PROGRAM IN SOUTH AFRICA, SHOULDN'T THIS S.O. HAVE MORE OF AN ENVIRONMENTAL FOCUS? AS IN THE PREVIOUS S.O., CAN WE HAVE MORE SYSTEMIC IMPACT IN THIS SECTOR?

UNCLASSIFIED

UNCLASSIFIED

7

(2) DISCUSSION/RESOLUTION: THE MISSION'S TRACK-RECORD IN PROMOTING ENVIRONMENTALLY SUSTAINABLE SHELTER UNDER ITS HOUSING GUARANTEE PROGRAM MAKES SOUTH AFRICA FERTILE GROUND FOR USAID TO EXPAND ITS POLICY-MAKING AND HUMAN CAPACITY BUILDING ACTIVITIES, PARTICULARLY ON THE URBAN ENVIRONMENTAL (AKA "BROWN") SIDE. PROJECTED FUNDING LEVELS, BEGINNING WITH ABOUT \$8 MILLION IN FY 96 AND GROWING \$5-10 MILLION OVER THE NEXT TWO YEARS, TRANSLATES INTO A NEED FOR MORE SPECIFIC PROGRAMMING AND REPORTING ON ENVIRONMENTAL IMPACTS. PARTICIPANTS SUGGESTED DEVELOPING AN I.R. THAT FOCUSES ON BUILDING PROVINCIAL-LEVEL CAPACITY TO ASSESS URBAN SERVICES AND CONDUCT ENVIRONMENTAL IMPACT ASSESSMENTS, WITH INDICATORS AND TARGETS THAT ARTICULATE PEOPLE-LEVEL RESULTS. AS WITH S.O.5, THE MISSION SHOULD FOCUS ON ESTABLISHING INDICATORS THAT NOT ONLY MEASURE USAID'S DIRECT INTERVENTIONS, I.E., NUMBERS OF HOUSEHOLDS WITH ACCESS TO ENVIRONMENTALLY-SOUND SHELTER, BUT POLICIES THAT CONTRIBUTE TO BROADER SYSTEMIC IMPACTS AS WELL. IN OTHER WORDS, THE STRATEGIC OBJECTIVE SHOULD BE MORE THAN THE SUM OF ITS INTERMEDIATE RESULTS.

(3) NEXT STEPS: THE MISSION AGREED TO ADD AN ENVIRONMENTAL I.R. WITH INDICATORS THAT ADDRESS SYSTEMIC CHANGE. AS IN S.O. 5. THEY WILL ALSO DISSEMINATE THE LESSONS LEARNED AND IMPACT ACHIEVED FROM SUCCESSFUL INTERVENTIONS AND MODELS.

5. FUNDING AND STAFFING CONCERNS

A. THE PROPOSED CSP CONTAINED A LOWER "HIGH FUNDING OPTION" THAN WAS NEGOTIATED DURING THE JULY 1995 CONCEPT PAPER REVIEW. IT ALSO REQUESTED STAFF INCREASES FOR FYS 1996-99 THAT WERE ABOVE THE BUREAU'S PROJECTED LEVELS. THESE RAISED CONCERNS ABOUT (1) PROGRAMMING ADDITIONAL FUNDS FOR HIV/AIDS, THE ENVIRONMENT AND BASIC EDUCATION, BEGINNING IN FY 97 AND POSSIBLY IN SUCCESSIVE YEARS; AND (2) INCREASING MISSION STAFFING LEVELS AS THE BUREAU'S WORKFORCE CONTROL LEVELS DECREASED.

B. AFR SENIOR MANAGEMENT STRESSED FROM THE OUTSET THAT THE FLUIDITY OF THE CURRENT ENVIRONMENT -- CHARACTERIZED BY DOWNSIZING, OVERSEAS RESTRUCTURING, AND CONSTANTLY CHANGING WORKFORCE AND SECTOR CONTROL LEVELS -- PRECLUDED THE BUREAU FROM MAKING IMMEDIATE FIRM DECISIONS ON PROGRAM AND STAFFING LEVELS FOR SOUTH AFRICA. IT WILL PROBABLY TAKE UNTIL THE END OF FY 96 TO HAVE A REASONABLY CLEAR PICTURE OF OUR OVERSEAS WORKFORCE. HOWEVER, IT WAS CLEAR THAT (1) THE EMPHASES OF CONGRESSIONAL EARMARKS AND AGENCY DIRECTIVES ARE NOT LIKELY TO CHANGE IN THE NEAR-TERM; AND (2) THE MISSION SHOULD ASSUME NO NEW INCREASES IN STAFFING LEVELS ABOVE THE BUREAU'S CURRENT PROJECTIONS FOR FISCAL

UNCLASSIFIED

UNCLASSIFIED

8

YEARS 96-99. AS SUCH THE MISSION WAS ASKED TO CONSIDER OPTIONS FOR INCREASED PROGRAMMING IN THESE TARGETED AREAS AND TO REEXAMINE WORKFORCE AND OE LEVELS IN THE FACE OF IMPENDING REDUCTIONS FOR FYS 1996-99.

C. THE MISSION REVISED ITS RESOURCE REQUIREMENTS, FRAMING SIX OPTIONS WITH VARYING LEVELS OF FUNDING AND STAFF. THE DISCUSSION CONCLUDED THAT: (1) THE MISSION SHOULD CONTINUE TO EXAMINE AND REFINED THESE OPTIONS; (2) THE BUREAU WILL CONTINUE EXAMINING PROGRAMMING OPTIONS FOR SOUTH AFRICA AGAINST OTHER COUNTRY STRATEGIES, BUREAU PRIORITIES, AND CONGRESSIONAL EARMARKS PROJECTED FOR FYS 97/98; AND (3) AFR WILL WORK WITH THE MANAGEMENT BUREAU OVER THE NEXT FEW MONTHS TO CLARIFY THE "PARAMETERS" WITHIN WHICH STAFFING DECISIONS ARE MADE. ONCE THE BUREAU GIVES THE MISSION THE RESULTS OF THE R2B REVIEWS, THE MISSION SHOULD REVISE ITS CSP, MAKING FURTHER STRATEGIC CHOICES AND ALIGNMENTS AS NECESSARY. IT MAY BE THAT THE MISSION'S OPTIONS WILL NOT PERMIT ADDITIONAL EARMARKS AND DIRECTIVES, AND THAT SOME EXISTING ACTIVITIES WILL HAVE TO BE SCALED BACK OR CUT.

D. THE MISSION SHOULD BE ASSURED THAT USAID/W IS AWARE OF AND SENSITIVE TO THE WORKLOAD IMPLICATIONS OF THIS LARGE, COMPLEX AND HIGH-PROFILE PROGRAM, AND IS COMMITTED TO WORKING WITH THE MISSION WITHIN THE INCREASINGLY TIGHT CONSTRAINTS WE JOINTLY FACE.

6. CONCLUSIONS AND FOLLOW-ON ACTIONS

A. BASED ON THE ABOVE DISCUSSION, THE AA/AFR CONCLUDED THAT THE MISSION'S PROPOSED STRATEGY IS APPROPRIATELY CONCEIVED AND TARGETED. WHILE THERE ARE VARIOUS FOLLOW-UP ACTIONS THAT MUST BE COMPLETED AND R2B DECISIONS THAT MUST BE MADE IN ORDER TO FINALIZE THE CSP, PUT A MANAGEMENT CONTRACT IN PLACE, AND FORMALLY APPROVE THE STRATEGY, THE CURRENT CSP AND VISION STATEMENTS PROVIDE THE BASIS FOR MOVING AHEAD AND IMPLEMENTING THE PROGRAM. OTHER DECISIONS ARE AS FOLLOWS:

B. THE REVISED CSP: IN ADDITION TO ELEMENTS ALREADY IN THE CURRENT CSP, THE REVISED CSP SHOULD INCLUDE THE FOLLOWING: (1) THE "COMMON SENSE" VISION STATEMENTS FOR EACH OF THE STRATEGIC OBJECTIVES; (2) ARTICULATION OF WHAT THE MISSION EXPECTS TO SEE IN PLACE BY THE END OF THE CSP THAT CONVEYS BROAD SYSTEMIC CHANGE IN PEOPLE'S LIVES, (3) EXIT BENCHMARKS FOR EACH STRATEGIC OBJECTIVE; 4) REVISED RESULTS FRAMEWORKS AND PERFORMANCE MONITORING INFORMATION BASED ON AGREEMENTS REACHED DURING PROGRAM WEEK; AND (5) PROGRAM BUDGET AND STAFFING LEVELS THAT CONFORM TO BUREAU PROJECTIONS AND R2B DECISIONS. THE MISSION SHOULD ALSO

UNCLASSIFIED

UNCLASSIFIED

9

INCLUDE A PLAN FOR A "MID-POINT REALITY CHECK" TO STEP BACK AND RELOOK THE STRATEGY IN THE CONTEXT OF CONDITIONS IN SOUTH AFRICA AFTER THE 1999 ELECTIONS. NOTE THAT THE BUREAU WILL NOT CONDUCT A FORMAL, SENIOR-LEVEL REVIEW OF THE REVISED CSP AND PERFORMANCE MONITORING PLAN UNLESS THE MISSION MAKES ANY SIGNIFICANT CHANGES IN THE STRATEGIC OBJECTIVES FROM WHAT IS CURRENTLY APPROVED. HOWEVER, THE AFRICA BUREAU, IN COLLABORATION WITH THE GLOBAL, PPC, AND M BUREAUS, WILL CONDUCT A WORKING-LEVEL REVIEW OF THE CSP TO CONFIRM INCLUSION OF THE REQUESTED INFORMATION AND TO KEEP CURRENT ON THE PROGRAM.

C. PERFORMANCE MONITORING PLAN (PMP): THE MISSION MUST DEVELOP AND SUBMIT A PMP THAT MEETS THE CRITERIA LAID OUT IN THE AGENCY GUIDANCE (ADS 203). THE MISSION WILL WORK CLOSELY WITH USAID/W AND THROUGH AFR/DP/POSE TO DEVELOP THE MEASURES AT S.O. AND I.R. LEVELS THAT WILL ENABLE THE MISSION TO BEST TRACK PROGRESS, MANAGE FOR RESULTS, AND MEET REPORTING REQUIREMENTS. THE PMP WILL BE REVIEWED AND AGREEMENT ON S.O. INDICATORS CONFIRMED AS PART OF THE MANAGEMENT CONTRACT.

D. CSP/PMP SUBMISSION DATE: WHILE AA/AFR HICKS INITIALLY REQUESTED THAT A REVISED CSP AND PERFORMANCE MONITORING PLAN (PMP) BE SUBMITTED TO USAID/W BY SEPTEMBER 30, 1996, THE PRESS OF FY 96 OBLIGATIONS, THE UNEXPECTED DEPARTURE OF STAFF, AND PENDING R2B DECISIONS MAKE IT ADVISABLE TO WAIT UNTIL FY 97. THE MISSION AND USAID/W AGREE THAT SUBMISSION SHOULD OCCUR WITHIN THREE MONTHS OF RECEIVING THE R2B DECISIONS.

7. MANY THANKS

USAID/W CONGRATULATES THE MISSION FOR DEVELOPING SUCH A WELL-GROUNDED, RESULTS-ORIENTED STRATEGY, BALANCING THE HIGH PROFILE OF SOUTH AFRICA WITH ITS CRITICAL DEVELOPMENT NEEDS. WE APPRECIATE YOUR SUCCESS IN INVOLVING A BROAD ARRAY OF PARTNERS IN DEVELOPING THE CSP, REFLECTING ONE OF OUR BEST EXAMPLES OF REENGINEERING VALUES AND PROCESSES TO DATE. OTHER MISSIONS IN AFR AND THE AGENCY ARE TAKING NOTE OF YOUR SUCCESSFUL EXPERIENCES AND LESSONS LEARNED. WE ALSO VERY MUCH APPRECIATE THE EXPERTISE, ENERGY, DEDICATION, PERSEVERANCE, AND MOST OF ALL "GOOD HUMOR" THAT MISSION STAFF BROUGHT TO THIS REVIEW; WE COULDN'T HAVE MADE IT THROUGH WITHOUT YOU! YOUR SEATS AT THE TABLE ENABLED USAID/W STAFF TO UNDERSTAND AND APPRECIATE THE SOUTH AFRICA PROGRAM AND, IN THE END, REMAIN COMMITTED TO HELPING YOU ACHIEVE RESULTS. WE WISH YOU WELL AS YOU FINALIZE THE STRATEGY AND CONTINUE IMPLEMENTING THIS PRIORITY PROGRAM.

UNCLASSIFIED

UNCLASSIFIED 10

ADDITIONAL CLEARANCE:

AID/GC/AFR:D LUTEN (DRAFT) YY

UNCLASSIFIED

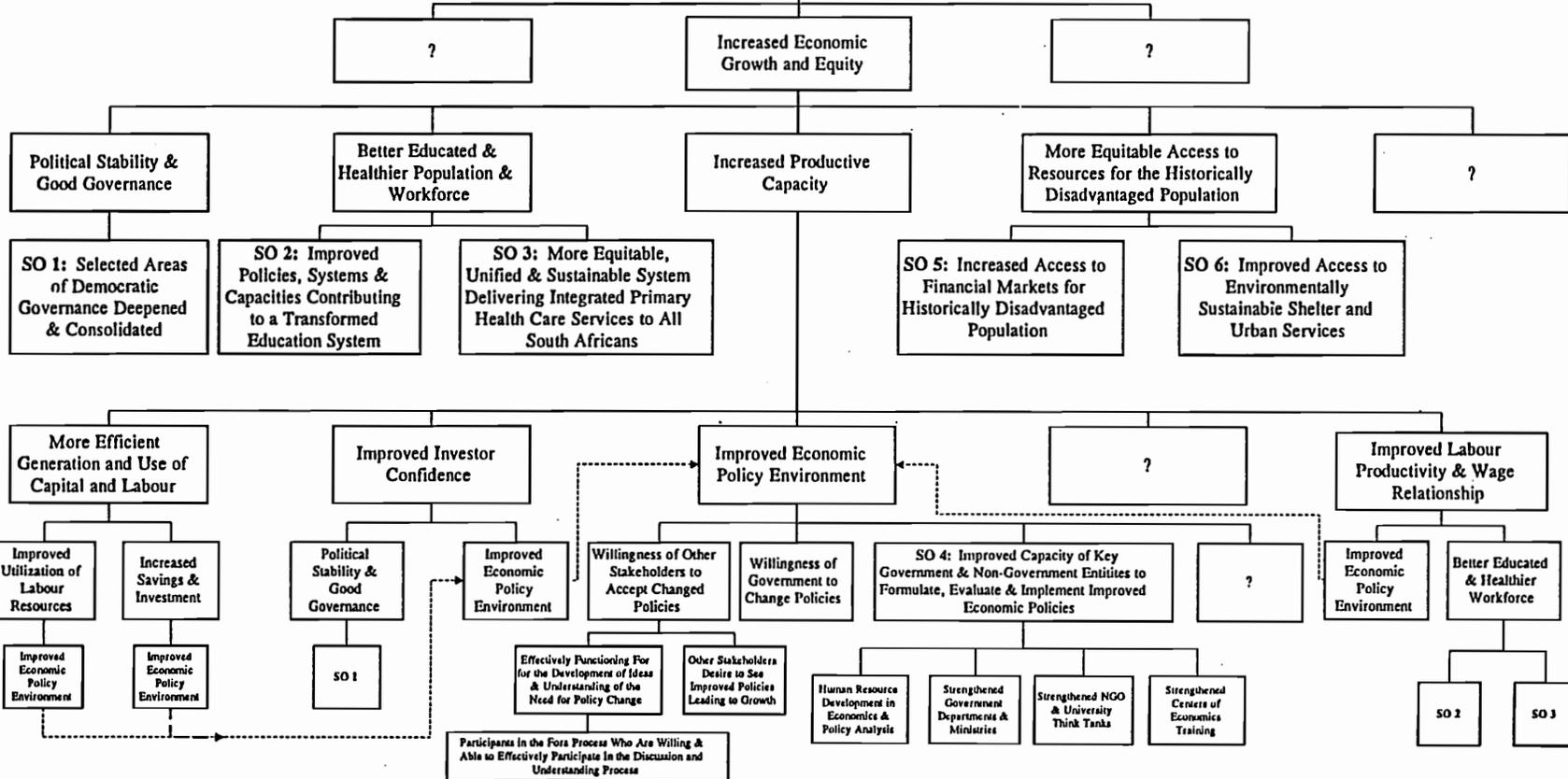
Attachment H

Results Framework for Strategic Objective Four

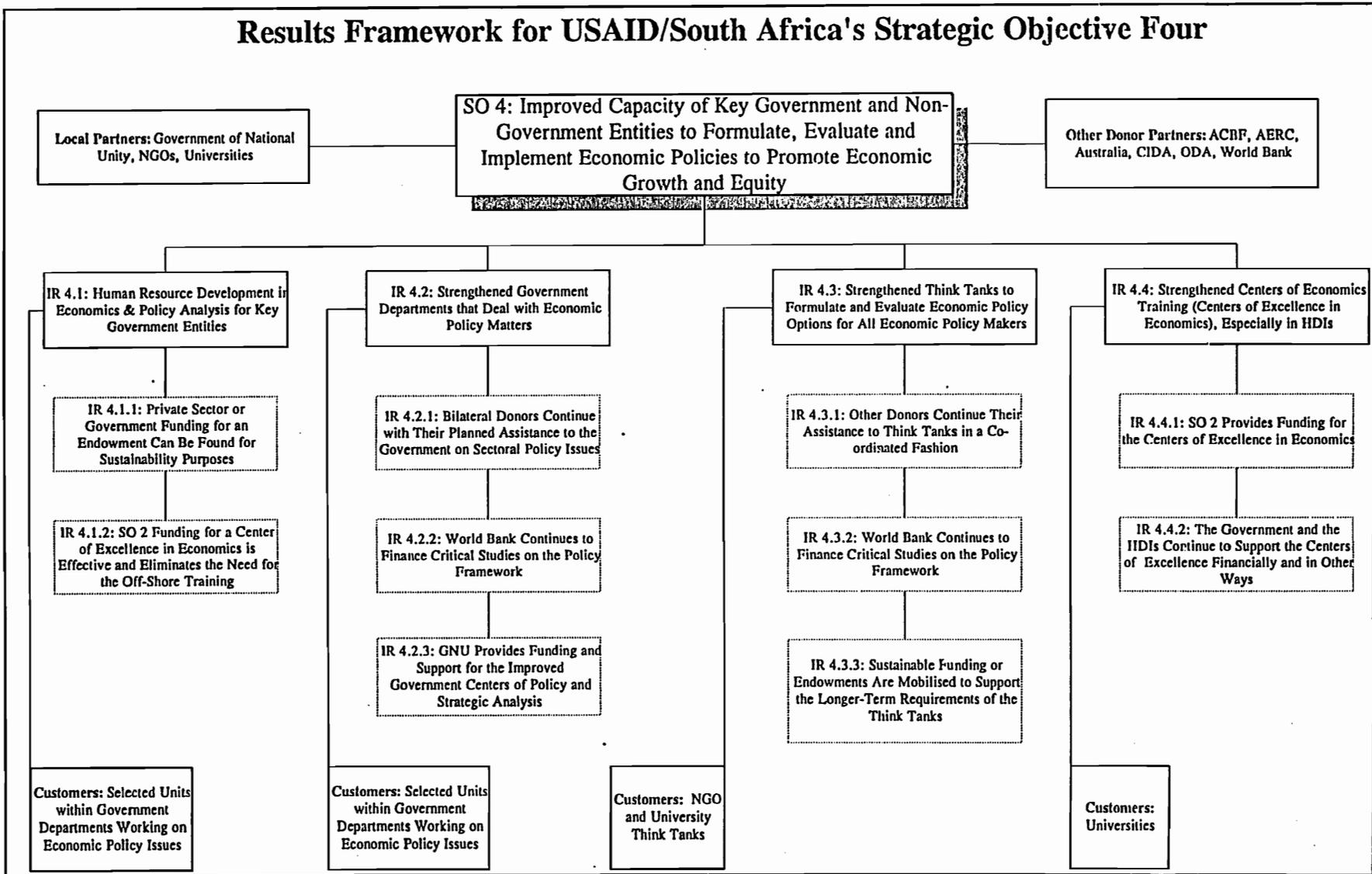
Logical Flow Of Economic Empowerment Sub-Goal

Sub-Goal: Political, Social & Economic Empowerment

Economic Empowerment



Results Framework for USAID/South Africa's Strategic Objective Four



Attachment I

Customer Service Plan for Strategic Objective Four

CUSTOMER SERVICE PLAN FOR STRATEGIC OBJECTIVE FOUR

Vision Statement

Improved Capacity for Economic Growth and Equity

Mission's Goal

To assist South Africa to achieve sustainable transformation through increased political, social and economic empowerment of historically disadvantaged population.

Strategic Objective 4

To improve capacity of key government and non-governmental entities in formulating, evaluating and implementing economic policies that will promote economic growth and equity.

Note:

Within the context of South Africa in 1996 where

- The poorest 20% of the population receives 2% of the income;
- Over 99% of the poorest population quintile are from the historically disadvantaged population;
- Approximately 11% of the total population or 31% of the economically active population are unemployed; and
- Over 94% of the unemployed are from the historically disadvantaged population;

improved equity, which requires increased economic growth, must mean increased incomes and more jobs for the historically disadvantaged population. This is the basic goal of the new Government of South Africa. Our efforts will improve the capacity or capabilities of both the governmental and non-governmental sectors to generate economic policies to meet this goal.

Results and Associated Services

(a) Human Resource development in economics and policy analysis for key government entities.

- USAID/SA provides scholarships to attend U.S. post-graduate programs in economics to individuals from the historically disadvantaged community who will work within government entities involved in the formulation, evaluation and implementation of economic policies; such as but not exclusively, the Department of Trade and Industry, Department of Finance, Department of Transport, Reserve Bank and the Financial and Fiscal Commission.

Results and Associated Services (continued)

- USAID/SA and partner (SEGA Contractor) provide short-term training services.
- (b) **Strengthened government departments that deal with economic policy.**
- Technical assistance, short-term training and research financing are provided through the SEGA Contractor to government departments involved in the formulation and implementation of economic policies, such as but not exclusively, Department of Trade and Industry, Department of Finance, Department of Transport, Reserve Bank and the Financial and Fiscal Commission.
- (c) **Strengthened think-tanks that formulate and evaluate economic policy options for economic policy-makers.**
- Grants and technical assistance provided to think-tanks to support research and training efforts and dissemination of research on economic policy material through the SEGA Contractor.
- (d) **Strengthened Centers of in Economics Training (Centers of Excellence) within HDIs**
- Services provided are in the form of technical assistance, short and long-term training. We will manage this activity with our partners i.e. the Mission's Tertiary Education Linkages Project (TELP) located under the Mission's second strategic objective, the TELP Contractor and the Team for strategic objective one.

Customer Definition

See the table on customers, partners and stakeholders.

Customer Needs Identification

Our customer needs are identified and understood through the following methods:

- Undertaking situational analyses of the South African environment.
- Consultative meetings.
- Field visits.

*Customer Needs
Identification (continued)*

- Surveys
- Interviews.
- Donor meetings to exchange ideas and coordinate activities.

The mechanisms for undertaking the above activities for Customer Needs Identification varies. Situational analyses are generally done by team members or are contracted for by the team. Informal consultative meetings occur regularly whenever any team member deals with customers or partners. Formal consultative meetings, surveys and interviews will be arranged and managed, on behalf of the strategic objective team, by the institutional contractor to be funded under the Support for Economic Growth and Analysis (SEGA) results package.

Customer Feedback

Feedback from our customers is received from surveys, interviews, presentations, debriefings and evaluations. We report back to our customers through document sharing (i.e., minutes and reports) and from individual and/or group meetings.

*Customer Service
Principles and Standards*

- (1) We provide timely and high quality services.
- (2) We are responsive to our customers' needs by sharing information and giving referrals where possible.
- (3) We aspire to have good communication with our customers in order to reinforce collaboration and mutual reliance.
- (4) Transparency in our activities that relate to our customers.

Specifically, with regard to our results and services, our customer service standards are:

- (a) **Human Resource development in economics and policy analysis for key government entities.**
 - USAID/SA provides scholarships to attend U.S. post-graduate programs in economics to individuals from the historically disadvantaged community who will work within government entities involved in the formulation, evaluation and implementation of economic policies, such as but not exclusively, the Department of Trade

*Customer Service
Principles and Standards
(continued)*

and Industry, Department of Finance, Department of Transport, Reserve Bank and the Financial and Fiscal Commission.

○ *Final response regarding placement of candidates will be available within a period of four months after the selection process has been completed.*

(b) Strengthened government departments that deal with economic policy.

- Technical assistance, short-term training and research financing are provided through the SEGA Contractor to government departments involved in the formulation and implementation of economic policies, such as but not exclusively, Department of Trade and Industry, Department of Finance, Department of Transport, Reserve Bank and the Financial and Fiscal Commission.

○ *Proposals acknowledged within three weeks of receipt and the final response provided no later than three months after the initial request.*

(c) Strengthened think-tanks that formulate and evaluate economic policy options for economic policy-makers.

- Grants and technical assistance provided to think-tanks to support research and training efforts and dissemination of research on economic policy material through the SEGA Contractor.

○ *Proposals acknowledged within three weeks of receipt and the final response provided no later than six months after the initial request.*

(d) Strengthened Centers of in Economics Training (Centers of Excellence) within HDIs

- Services provided are in the form of technical assistance, short and long-term training. We will manage this activity with our partners i.e. the Mission's Tertiary Education Linkages Project (TELP) located under the Mission's second strategic objective, the TELP Contractor and the Team for strategic objective one.

Further Information

For further information please feel free to phone us at (012) 323-8869 or fax us at (012) 323-6443.

- *Results Packages
(Support for Economic
Growth and Analysis
or Mandela Economics
Scholars)*
 - *Mandela Economics
Scholars Program*
 - *Support for
Government
Departments*
 - *Support for NGO or
University Economic
Think Tanks*
 - *Economics Centers
of Excellence*
 - *Proposal Information*
 - *Vouchers & Financial
Information*
 - *Customer Service
Questions or Issues*
 - *Other Questions
concerning this
Strategic Objective*
- Richard Harber or Nompilo Mali
 - Matnata Madibane
 - Russell Hawkins
 - Nompilo Mali
 - Cynthia Marivate
 - John McAvoy
 - Annelie Van de Venter
 - Nompilo Mali
 - Richard Harber or Nompilo Mali

Attachment J

**1996 Country Checklist
for South Africa**

To: Paul Weisenfeld@RLA@PRETORIA, Ric Harber@OED@PRETORIA
Cc: Aaron Williams@DIR@PRETORIA, Drew Luten@GC, Gail Spence@AFR.SA, Henry Reynolds@DIR@PRETORIA, Karen L. Freeman@PPDO@PRETORIA, VSMAIL@BANS00027@Servers[(MARTA YOUTH) {3015.1.544.6502}], Pauline Johnson@GC, Will Elliott@AFR.SA
From: Michael Karbeling@AFR.SA@AIDW
Certify: N
Subject: re: Country Checklist
Date: Friday, August 30, 1996 at 4:25:01 pm EDT
Attached: a:\cklstsa.830, ATTRIBS.BND

GREETINGS RIC:

ATTACHED IS THE COUNTRY CHECKLIST AS CLEARED BY AFR/SA, GC/AFR, AND STATE/AF/S.

I HAVE JUST FAXED THE CLEARED COPY TO RIC.

Please IGNORE the ATTRIBS.BND attachment
It is generated automatically when sending messages for the new Beyondmail System -
Please do not attempt to read or print ATTRIBS.BND
THANKS

MIKE KARBELING . AFR/SA
VOICE 202-647-4236
FAX 202-736-4031

Original Text

From: Will Elliott@AFR.SA@AIDW, on 8/30/96 8:25 AM:
To: Ric Harber@OED@PRETORIA, Paul Weisenfeld@RLA@PRETORIA
Cc: Michael Karbeling@AFR.SA@AIDW

Forwarded to: Ric Harber@OED@PRETORIA, Paul Weisenfeld@RLA@PRETORIA
cc: Michael Karbeling@AFR.SA@AIDW, Aaron Williams@DIR@PRETORIA, Henry Reynolds@DIR@PRETORIA, Karen L. Freeman@PPDO@PRETORIA, Pauline Johnson@GC@AIDW, Drew Luten@GC@AIDW
Forwarded date: 8/30/96 8:25 AM
Comments by: Will Elliott@AFR.SA@AIDW
Comments:

We have one last political question to research and then will send you the approved country checklist.

Will

----- [Original Message] -----

Original Message date: 8/30/96 8:08 AM
Original from: Drew Luten@GC@AIDW
Original to: Paul Weisenfeld@RLA@PRETORIA, Will Elliott@AFR.SA@AIDW
I believe Pauline cleared the checklist and returned it to Mkie Karbeling yesterday. Drew

Original Text

From: Paul Weisenfeld@RLA@PRETORIA, on 8/29/96 4:00 PM:

To: Drew Luten@GC@AIDW, Will Elliott@AFR.SA@AIDW

Any news on the SA Country Checklist?

SOUTH AFRICA FY 1996 COUNTRY CHECKLIST

Listed below are the statutory and regulatory criteria applicable to the eligibility of countries to receive the following categories of assistance: (A) both Development Assistance and Economic Support Fund; (B) Development Assistance only; or (C) Economic Support Fund only.

A. DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUND

1. **Narcotics Certification (FAA Sec. 490):** If the recipient is a "major illicit drug producing country" (defined as a country in which during a year at least 1,000 hectares of illicit opium poppy is cultivated or harvested, or at least 1,000 hectares of illicit coca is cultivated or harvested, or at least 5,000 hectares of illicit cannabis is cultivated or harvested) or a "major drug-transit country" (defined as a country that is a significant direct source of illicit drugs significantly affecting the United States, through which such drugs are transported, or through which significant sums of drug-related profits are laundered with the knowledge or complicity of the government):

a. Has the President in the March 1 International Narcotics Control Strategy Report (INCSR) determined and certified to the Congress (without Congressional enactment, within 30 calendar days, of a resolution disapproving such a certification), that (1) during the previous year the country has cooperated fully with the United States or taken adequate steps on its own to satisfy the goals and objectives established by the U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, or that (2) the vital national interests of the United States require the provision of such assistance? N/A

b. With regard to a major illicit drug producing or drug-transit country for which the President has not certified on March 1, has the President determined and certified to Congress on any other date (with enactment by Congress of a resolution approving such certification) that the vital national interests of the United States require the provision of assistance, and has also certified that (a) the country has undergone a fundamental change in government, or (b) there has been a fundamental change in the conditions that were the reason why the President had not made a "fully cooperating" certification. N/A

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

NO

3. **Seizure of U.S. Property** (Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, Sec. 527): If assistance is to a government, has it (including any government agencies or instrumentalities) taken any action on or after January 1, 1956 which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without (during the period specified in subsection (c) of this section) either returning the property, providing adequate and effective compensation for the property, offering a domestic procedure providing prompt, adequate, and effective compensation for the property, or submitting the dispute to international arbitration? If the actions of the government would otherwise prohibit assistance, has the President waived this prohibition and so notified Congress that it was in the national interest to do so? NO

4. **Communist and Other Countries** (FAA Secs. 620(a), 620(f), 620D; FY 1996 Appropriations Act Secs. 507, 523): Is recipient country a Communist country? Will assistance be provided directly to Cuba, Iraq, Libya, North Korea, Iran, Serbia, Sudan or Syria? Will assistance be provided indirectly to Cuba, Iraq, Libya, Iran, Syria, North Korea, or the People's Republic of China? Will assistance be provided to Afghanistan? If so, has the President made the necessary determinations to allow assistance to be provided? NO

5. **Mob Action** (FAA Sec. 620(j)): Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property? [Reference may be made to the "Taking into Consideration" memo.] NO

6. **OPIC Investment Guaranty** (FAA Sec. 620(l)): Has the country failed to enter into an investment guaranty agreement with OPIC? [Reference may be made to the annual "Taking into Consideration" memo.] NO

7. **Seizure of U.S. Fishing Vessels** (FAA Sec. 620(o); Fishermen's Protective Act of 1967 (as amended) Sec. 5): (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing vessel because of fishing activities in international waters? (b) If so, has any deduction required by the Fishermen's Protective Act been made? [Reference may be made to the annual "Taking into Consideration" memo.] NO

8. **Loan Default** (FAA Sec. 620(q); FY 1996 Appropriations Act Sec. 512 (Brooke Amendment)): (a) Has the government of the recipient country been in default for more than six months on interest or principal of any loan to the country under the FAA? (b) Has the country been in

default for more than one year on interest or principal on any U.S. loan under a program for which the FY 1995 Appropriations Act appropriates funds? **NO**

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

10. **Diplomatic Relations with U.S. (FAA Sec. 620(t)):** Has the country severed diplomatic relations with the United States? If so, have relations been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? **NO**

11. **U.N. Obligations (FAA Sec. 620(u)):** What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the A.I.D. Administrator in determining the current A.I.D. Operational Year Budget?

SOUTH AFRICA IS CURRENT IN PAYMENT OF ITS U.N. OBLIGATIONS

12. **International Terrorism**

a. **Sanctuary and Support (FY 1996 Appropriations Act Sec. 527A; FAA Sec. 620A):** Has the country been determined by the President to: (a) grant sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or (b) otherwise support international terrorism, unless the President has waived this restriction on grounds of national security or for humanitarian reasons? **NO**

b. **Compliance with UN Sanctions (FY 1996 Appropriations Act Sec. 534):** Is assistance being provided to a country not in compliance with UN sanctions against Iraq, Serbia, or Montenegro. If so, has the President made the necessary determinations to allow assistance to be provided? **NO**

c. **Governments that Aid Terrorist States. (FAA Section 620G, added by section 325 of the Antiterrorism and Effective Death Penalty Act of 1996. P.L. 104-132, April 24, 1996):** Is assistance being provided to a government which provides assistance to a country the government of which is a terrorist government under section 620A of the FAA?. If so, has the President made the necessary determinations to allow assistance to be provided? **NO**

13. **Export of Lethal Military Equipment** (FY 1996 Appropriations Act Sec. 552; FAA Se. 620H, added by section 326 of the Antiterrorism and Effective Death Penalty Act of 1996. P.L. 104-132, April 24, 1996): Is assistance being made available to a government which provides lethal military equipment to a country the government of which is a terrorist government under sections 620A of the FAA, 6(j) of the Export Administration Act (50 U.S.C. App. 2405(j)) or 40(d) of the Arms Export Control Act? If so, has the President made the necessary determinations to allow assistance to be provided? **NO**

14. **Discrimination** (FAA Sec. 666(b)): Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? **NO**

15. **Nuclear Technology** (Arms Export Control Act Secs. 101, 102): Has the country, after August 3, 1977, delivered to any other country or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards, and without special certification by the President? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported (or attempted to export) illegally from the United States any material, equipment, or technology which would contribute significantly to the ability of a country to manufacture a nuclear explosive device? [FAA Sec. 620E(d) permits a special waiver of Sec. 101 for Pakistan.] **NO, SOUTH AFRICAN NUCLEAR PROGRAM WAS DISMANTLED.**

16. **Algiers Meeting** (ISDCA of 1981, Sec. 720): Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on Sept. 25 and 28, 1981, and did it fail to disassociate itself from the communique issued? If so, has the President taken it into account? [Reference may be made to the "Taking into Consideration" memo.]
NO

17. **Military Coup** (FY 1996 Appropriations Act Sec. 508): Has the duly elected Head of Government of the country been deposed by military coup or decree? If assistance has been terminated, has the President notified Congress that a democratically elected government has taken office prior to the resumption of assistance? **NO**

18. **Exploitation of Children (FAA Sec. 116(b)):** Does the recipient government fail to take appropriate and adequate measures, within its means, to protect children from exploitation, abuse or forced conscription into military or paramilitary services? **NO**

19. **Parking Fines (FY 1996 Appropriations Act Sec. 553):** Has the overall assistance allocation of funds for a country taken into account the requirements of this section to reduce assistance by 110 percent of the amount of unpaid parking fines owed to the District of Columbia as of the date of enactment of the FY 1996 Appropriations Act? **FY96 NOA OYB FOR SOUTH AFRICA HAS BEEN REDUCED BY \$2,712 FOR PARKING FINES.**

20. **Delivery of Humanitarian Assistance ((FY 1996 Appropriations Act Sec. 562):** Has the government prohibited or otherwise restricted, directly or indirectly the transport or delivery of United States humanitarian assistance? If so, has the President made the necessary determination to allow assistance to be provided? **NO**

21. **Nuclear Power Plant in Cuba (before March 12, 1996, FY 1996 Appropriations Act Sec. 563; after March 12, 1996 Sec. 111 of the LIBERTAD Act):** Has the country or any entity in the country provided on/after the dates of enactment of the FY 1996 Appropriations Act, January 27, 1996, or the LIBERTAD Act, March 12, 1996, assistance or credits in support of the Cuban nuclear facility at Juragua, Cuba. If so, has the overall assistance allocation of funds for that country taken into account the requirements of this section to withhold assistance equal to the sum of any such assistance or credits? **NO**

22. **Harboring War Criminals (FY 1996 Appropriations Act Sec. 582):** Has the government knowingly granted sanctuary to persons in its territory for the purpose of evading prosecution, where such persons--

a. have been indicted by the International Criminal Tribunal for the former Yugoslavia, the International Criminal Tribunal for Rwanda, or any other international tribunal with similar standing under international law, or

b. have been indicted for war crimes or crimes against humanity committed during the period beginning March 23, 1933, and ending on May 8, 1945 under the direction of, or in association with (1) the Nazi government of Germany;(2) any government in any area occupied by the military forces of the Nazi government of Germany; (3) any government which was established with the assistance or cooperation of the Nazi

government; or (4) any government which was an ally of the Nazi government of Germany? NO

B. DEVELOPMENT ASSISTANCE ONLY

Human Rights Violations (FAA Sec. 116): Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy? NO

C. ECONOMIC SUPPORT FUND ONLY

Human Rights Violations (FAA Sec. 502B): Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the President found that the country made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest? NO

* * * * *

Clearances:

AFR/SA:MKARBELING _____ DATE 8/30/96
CG/AFR:PJOHNSON _____ DATE 8/30/96
STATE/AF/S:MYOUTH _____ DATE 8/30/96

Attachment K

Assistance Checklist

FY 1996 USAID STATUTORY CHECKLISTS
[checklist form revised June 11, 1996]

ASSISTANCE CHECKLIST

Listed below are criteria applicable to the assistance resources themselves, rather than to the eligibility of a country to receive the following categories of assistance: (A) both Development Assistance and Economic Support Funds; (B) Development Assistance only; or (C) Economic Support Funds only. assistance.

A. DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUND

1. Congressional Notification

a. **General Requirement** (FY 1996 Appropriations Act Sec. 515; FAA Sec. 634A): If money is to be obligated for an activity or strategic objective not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified (unless the Appropriations Act notification requirement has been waived because of substantial risk to human health or welfare)?

Yes. Congressional Notification cleared Congress on August 3, 1996, per State 174452 dated August 22, 1996. See Attachment F to the SEGA/MESP Results Package for a copy of the Notification and the message certifying clearance.

b. **Special Notification Requirement** (FY 1996 Appropriations Act Sec. 520): Are all activities proposed for obligation subject to prior congressional notification?

N/A

c. **Notice of Account Transfer** (FY 1996 Appropriations Act Sec. 509): If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures?

N/A

d. **Cash Transfers and Nonproject Sector Assistance** (FY 1996 Appropriations Act Sec. 532(b)(3)): If funds are to be made available in the form of cash transfer or nonproject sector assistance, has the Congressional notice included a detailed description of how the funds will be used, with a

discussion of U.S. interests to be served and a description of any economic policy reforms to be promoted?

N/A

2. Engineering and Financial Plans (FAA Sec. 611(a)): Prior to an obligation in excess of \$500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Yes, this is evidenced by the Results Package document itself.

3. Legislative Action (FAA Sec. 611(a)(2)): If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance?

N/A

4. Water Resources (FAA Sec. 611(b)): If the assistance is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, *et seq.*)?

N/A

5. Cash Transfer/Nonproject Sector Assistance Requirements (FY 1996 Appropriations Act Sec. 532). If assistance is in the form of a cash transfer or nonproject sector assistance:

a. Separate Account: Are all such cash payments to be maintained by the country in a separate account and not commingled with any other funds (unless such requirements are waived by Congressional notice for nonproject sector assistance)?

N/A

b. Local Currencies: If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies:

(1) Has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b)

entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?

N/A to all parts

(2) Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

N/A

(3) Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

N/A

(4) If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

N/A

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

N/A

7. Local Currencies

a. **Recipient Contributions (FAA Secs. 612(b), 636(h)):** Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

The U.S. government does not hold excess Rand which could be used for this activity [Sec. 612(b)]. The activity includes the requirement for a 25% grantee contribution per FAA Section 110 which satisfies the Sec. 636(h) requirements.

b. US-Owned Foreign Currencies

(1) **Use of Currencies** (FAA Secs. 612(b), 636(h): Are steps being taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services.

N/A, the U.S. owns no South African Rand.

(2) **Release of Currencies** (FAA Sec. 612(d)): Does the U.S. own non-PL 480 excess foreign currency of the country and, if so, has the agency endeavored to obtain agreement for its release in an amount equivalent to the dollar amount of the assistance?

No

8. Trade Restrictions - Surplus Commodities (FY 1996 Appropriations Act Sec. 513(a)): 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

9. Environmental Considerations (FAA Sec. 117; USAID Regulation 16, 22 CFR Part 216): Have the environmental procedures of USAID Regulation 16 been met?

Yes. IEE categorical exclusion has been approved. See Attachment A of the Results Package.

10. PVO Assistance

a. **Auditing** (FY 1996 Appropriations Act Sec. 551): If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of USAID?

N/A

b. **Funding Sources** (FY 1996 Appropriations Act, Title II, under heading "Private and Voluntary Organizations"): If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? If not, has the requirement been waived?

N/A

11. **Agreement Documentation** (Case-Zablocki Act, 1 U.S.C. Sec. 112b, 22 C.F.R. Part 181): For any bilateral agreement over \$25 million, has the date of signing and the amount involved been cabled to State L/T immediately upon signing and has the full text of the agreement been pouched to State/L within 20 days of signing?

N/A

12. **Metric System** (Omnibus Trade and Competitiveness Act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance activity use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

N/A. Goods are not being approved under this activity.

13. **Abortions** (FAA Sec. 104(f); FY 1996 Appropriations Act, Title II, under heading "Development Assistance" and Sec. 518):

a. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions? (Note that the term "motivate" does not include the provision, consistent with local law, of information or counseling about all pregnancy options .)

No

b. Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?

No

c. Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization?

No

d. Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services? (As a legal matter, DA only.)

N/A

e. In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning? (As a legal matter, DA only.)

N/A

f. Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

No

g. Are any of the funds to be made available to any organization if the President certifies that the use of these funds by such organization would violate any of the above provisions related to abortions and involuntary sterilization?

No

14. Procurement

a. Source, Origin and Nationality (FAA Sec. 604(a): Will all procurement be from the U.S., the recipient country, or developing

countries except as otherwise determined in accordance with the criteria of this section?

Yes.

b. **Marine Insurance (FAA Sec. 604(d)):** If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company?

N/A, procurement of commodities is not contemplated.

c. **Insurance (FY 1996 Appropriations Act Sec. 528A):** Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate?

Yes

d. **Non-U.S. Agricultural Procurement (FAA Sec. 604(e)):** If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)

N/A

e. **Construction or Engineering Services (FAA Sec. 604(g)):** Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.)

N/A

f. **Cargo Preference Shipping (FAA Sec. 603):** Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately

owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates?

No

g. **Technical Assistance (FAA Sec. 621(a)):** If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

Yes to all parts

h. **U.S. Air Carriers (Fly America Act, 49 U.S.C. Sec. 1517):** 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

i. **Consulting Services (FY 1996 Appropriations Act Sec. 550):** If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)?

Yes

j. **Notice Requirement (FY 1996 Appropriations Act Sec. 565):** Will agreements or contracts contain notice consistent with FAA section 604(a) and with the sense of Congress that to the greatest extent practicable equipment and products purchased with appropriated funds should be American-made?

Yes

15. Construction

a. **Capital Assistance (FAA Sec. 601(d)):** If capital (e.g., construction) assistance, will U.S. engineering and professional services be used?

N/A

b. Large projects, Congressional Approval (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 Congressional Presentation), or does assistance have the express approval of Congress?

N/A

16. U.S. Audit Rights (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?

Yes

17. Communist Assistance (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

18. Narcotics

a. Cash Reimbursements (FAA Sec. 483): Will arrangements preclude use of financing to make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated?

Yes

b. Assistance to Narcotics Traffickers (FAA Sec. 487): Will arrangements take "all reasonable steps" to preclude use of financing to or through individuals or entities which we know or have reason to believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance?

Yes

19. Expropriation and Land Reform (FAA Sec. 620(g)): Will assistance preclude use of financing to compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President?

Yes

20. **Police and Prisons (FAA Sec. 660):** Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs?

Yes

21. **CIA Activities (FAA Sec. 662):** Will assistance preclude use of financing for CIA activities?

Yes

22. **Motor Vehicles (FAA Sec. 636(i)):** Will assistance preclude use of financing 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

23. **Export of Nuclear Resources (FY 1995 Appropriations Act Sec. 506):** Will assistance preclude use of financing to finance, except for purposes of nuclear safety, the export of nuclear equipment, fuel, or technology?

Yes

24. **Publicity, Propaganda and Lobbying (FY 1996 Appropriations Act Sec. 547; Anti-Lobbying Act, 18 U.S.C. § 1913; Sec. 109(1) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, P.L. 100-204):** Will assistance be used to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress?

No

25. **Commitment of Funds (FAA Sec. 635(h)):** Does a contract or agreement entail a commitment for the expenditure of funds during a period in excess of 5 years from the date of the contract or agreement?

No

26. **Impact on U.S. Jobs (FY 1996 Appropriations Act, Sec. 539):**

a. Will any financial incentive be provided to a business located in the U.S. for the purpose of inducing that business to relocate outside the

U.S. in a manner that would likely reduce the number of U.S. employees of that business?

No

b. Will assistance be provided for the purpose of establishing or developing an export processing zone or designated area in which the country's tax, tariff, labor, environment, and safety laws do not apply? If so, has the President determined and certified that such assistance is not likely to cause a loss of jobs within the U.S.?

No

c. Will assistance be provided for a project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, or will assistance be for the informal sector, micro or small-scale enterprise, or smallholder agriculture?

No

B. DEVELOPMENT ASSISTANCE ONLY

1. **Agricultural Exports (Bumpers Amendment)(FY 1996 Appropriations Act Sec. 513(b))**, as interpreted by conference report for original enactment): If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (a) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (b) in support of research that is intended primarily to benefit U.S. producers?

N/A

2. **Recipient Country Contribution (FAA Secs. 110, 124(d))**: Will the recipient country provide at least 25 percent of the costs of the activity with respect to which the assistance is to be furnished or is this cost-sharing requirement being waived for a "relatively least developed" country?

Yes

3. Forest Degradation (FAA Sec. 118):

a. Will assistance be used for the procurement or use of logging equipment? If so, does the an environmental assessment indicate that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems?

No

b. Will assistance be used for: (1) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas; (2) activities which would result in the conversion of forest lands to the rearing of livestock; (3) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (4) the colonization of forest lands; or (5) the construction of dams or other water control structures which flood relatively undergraded forest lands? If so, does the environmental assessment indicate that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

No to all parts

4. Deobligation/Reobligation (FY 1995 Appropriations Act Sec. 510): If deob/reob authority is sought to be exercised under section 510 in the provision of DA assistance, are the funds being obligated for the same general purpose and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified? [Note: Compare to no-year authority under section 511.]

N/A

5. Capital Assistance (Jobs Through Export Act of 1992, Secs. 303 and 306(d)): If assistance is being provided for a capital activity, is the activity developmentally sound and will it measurably alleviate the worst manifestations of poverty or directly promote environmental safety and sustainability at the community level?

N/A

6. Loans

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

N/A

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

N/A

c. **Interest rate (FAA Sec. 122(b)):** If development loan is repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter?

N/A

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

N/A

7. **Planning and Design Emphases.** Has agency guidance or the planning and design documentation for the specific assistance activity under consideration taken into account the following, if applicable?

a. **Economic Development.** FAA Sec. 101(a) requires that 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

b. **Special Development Emphases.** FAA Secs. 102(b), 113, 281(a) require that assistance: (1) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing

investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (2) encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries.

Yes

c. **Development Objectives.** FAA Secs. 102(a), 111, 113, 281(a) require that assistance: (1) effectively involve the poor in development, by expanding 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; (2) 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; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries?

Yes

d. **Agriculture, Rural Development and Nutrition, and Agricultural Research.** FAA Secs. 103 and 103A require that: (1) **Rural poor and small farmers:** assistance for agriculture, rural development or nutrition be specifically designed to increase productivity and income of rural poor; and assistance for agricultural research take into account the needs of small farmers and make extensive use of field testing to adapt basic research to local conditions; (2) **Nutrition:** assistance be used in coordination with efforts carried out under FAA Section 104 (Population and Health) to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people; (3) **Food security:** assistance increase national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production,

building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

N/A

e. **Population and Health.** FAA Secs. 104(b) and (c) require that assistance for population or health activities emphasize low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

N/A

f. **Education and Human Resources Development.** FAA Sec. 105 requires that assistance for education, public administration, or human resource development (1) strengthen nonformal education, make formal education more relevant, especially for rural families and urban poor, and strengthen management capability of institutions enabling the poor to participate in development; and (2) provide advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities:

Yes

g. **Energy, Private Voluntary Organizations, and Selected Development Activities.** FAA Sec. 106 requires that assistance for energy, private voluntary organizations, and selected development problems may be used for (1) data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment; (2) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations; (3) research into, and evaluation of, economic development processes and techniques; (4) reconstruction after natural or manmade disaster and programs of disaster preparedness; (5) special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U.S. assistance; (6) urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development.

N/A

h. Appropriate Technology. FAA Sec. 107 requires that assistance emphasize use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.

N/A

i. Tropical Forests. FAA Sec. 118 and FY 1991 Appropriations Act Sec. 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act) require that:

(1) **Conservation:** assistance place a high priority on conservation and sustainable management of tropical forests and specifically: (i) stress the importance of conserving and sustainably managing forest resources; (ii) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (iii) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (iv) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (v) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (vi) conserve forested watersheds and rehabilitate those which have been deforested; (vii) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (viii) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (ix) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (x) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; (xi) utilize the resources and abilities of all relevant U.S. government agencies; (xii) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land; and (xiii) take full account of the environmental impacts of the proposed activities on biological diversity.

N/A

(2) **Sustainable forestry:** assistance relating to tropical forests assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry.

N/A

j. **Biological Diversity.** FAA Sec. 119(g) requires that assistance: (i) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (ii) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (iii) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (iv) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas.

N/A

k. **Benefit to Poor Majority.** FAA Sec. 128(b) requires that 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, it be designed and monitored to ensure that the ultimate beneficiaries are the poor majority.

Yes

l. **Indigenous Needs and Resources.** FAA Sec. 281(b) requires that an activity recognize the particular needs, desires, and capacities of the people of the country; utilize the country's intellectual resources to encourage institutional development; and support civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

Yes

m. **Energy.** FY 1991 Appropriations Act Sec. 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act) requires that assistance relating to energy focus on: (1) end-use energy efficiency, least-cost energy planning, and renewable energy resources, and (2) the key countries where assistance would have the greatest impact on reducing emissions from greenhouse gases.

N/A

n. **Debt-for-Nature Exchange.** FAA Sec. 463 requires that assistance which will finance a debt-for-nature exchange (1) support protection of the world's oceans and atmosphere, animal and plant species, or parks and reserves; or (2) promote natural resource management, local conservation programs, conservation training programs, public commitment to conservation, land and ecosystem management, or regenerative approaches in farming, forestry, fishing, and watershed management.

N/A

C. ECONOMIC SUPPORT FUND ONLY

N/A Entire Section

1. **Economic and Political Stability (FAA Sec. 531(a)):** Does the design and planning documentation demonstrate that the assistance will 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?

2. **Military Purposes (FAA Sec. 531(e)):** Will this assistance be used for military or paramilitary purposes?

3. **Commodity Grants/Separate Accounts (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? (For FY 1996, this provision is superseded by the separate account requirements of FY 1996 Appropriations Act Sec. 532(a), see Sec. 532(a)(5).)

4. **Generation and Use of Local Currencies (FAA Sec. 531(d)):** Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so, will at least 50 percent of such local currencies be available to support activities consistent with the objectives of FAA sections 103 through 106? (For FY 1996, this provision is superseded by the separate account requirements of FY 1996 Appropriations Act Sec. 532(a), see Sec. 532(a)(5).)

5. **Capital Activities (Jobs Through Exports Act of 1992, Sec. 306):** If assistance is being provided for a capital project, will the project be developmentally-sound and sustainable, i.e., one that is (a) environmentally sustainable, (b) within the financial capacity of the government or recipient to maintain from its own resources, and (c) responsive to a significant development priority initiated by the country to which assistance is being provided.

Drafted: SO4 Team Leader, RHarber (26 July 1996; revised 22 August
1996 and 26 August 1996)

Clearance: RLA, Paul Weisenfeld PW 8/28/96

c:\rharber\docs\segalsegaassc.lst

Attachment L

Examples of Contracts Signed Between the South African Government and Long-Term Training Participants

PART II

APPOINTMENTS IN TERMS OF SPECIAL PROVISIONS1. PURPOSE

The purpose of this part is to detail authority and measures for the appointment/employment in terms of special provisions and to prescribe norms or give guidelines not contained elsewhere in these chapters.

2. APPOINTMENTS IN PROMOTION POSTS/RANKS OR ON HIGHER LEGS OF STANDARD LINK SCALES AND ABSORPTION OF OFFICERS/EMPLOYEES EMPLOYED OUT OF ADJUSTMENT IN PROMOTION POSTS

- (1) (a) The Personnel Administration Standards (see Chapter K.II/I) of specific occupational classes make provision for the appointment of suitable candidates in promotion posts/ranks or on higher legs of standard link scales without the prior recommendation of the Commission.
- (b) The manner in which recognition for appropriate experience is accomplished in promotion posts/ranks, or on higher legs of standard link scales is to use the qualifying periods for promotion as starting point and with that as basis to calculate the bases for recognition in the promotion posts/ranks or on the higher legs. Such bases for recognition are set out in the relevant Personnel Administration Standards. The conditions whereunder a candidate may be directly appointed in a promotion post/rank, or on a higher leg, are the following:
 - (i) The candidate should comply with the requirements for permanent employment in accordance with the provisions of the *Public Service Act, 1994*.
 - (ii) The candidate should comply with the qualification and other requirements as laid down for the relevant entry post/rank or lower leg of the standard link scale and/or the relevant promotion post/rank or higher leg. In this regard the Staff Advisory Committees should satisfy themselves that the candidate will be able to satisfactorily perform the duties, as well as supervisory and directory functions, attaching to the post, rank or leg concerned.
 - (iii) The appointments may only be effected in a vacant post of the appropriate grading.
 - (iv) Departments should satisfy themselves that they do not have suitable promotable serving candidates for the post concerned.

(v) A person who is appointed to/in any post or rank or on any leg of a standard link scale and who, on appointment, has a shorter period of appropriate experience than that laid down in the relevant Personnel Administration Standard as requirement for direct appointment to/in the next higher post/rank or on the next higher leg of the scale, must, as soon as he/she has completed a period of service equal to such shortfall in respect of appropriate experience, and provided he/she complies with all the other requirements with regard to educational qualifications, etc., be translated to the relevant higher rank or leg of the scale (and absorbed in the higher post where applicable), with the first day of the month in which the translation is effected as incremental date and with either retention of his/her salary notch or the granting of the minimum notch of the higher scale, whichever is the most favourable: Provided that if the period of service that he/she must render in the place of such shortfall in respect of appropriate experience is more than twelve months, he/she must not on completion thereof be thus translated, but must be considered for promotion in accordance with the measures contained in the relevant Personnel Administration Standard and if he/she is found promotable, his/her promotion must be effected with effect from the day following that on which he/she complies with all requirements for promotion.

(c) If departments are of the opinion that posts, ranks or legs of standard salary scales other than those referred to in subparagraph (1) should also be identified for this purpose, the Commission should be approached for the necessary authorisation, with due regard to the provisions of Chapter K.II/II.

3. CANDIDATES IN POSSESSION OF PRACTICAL AND SPECIAL VOCATIONAL TRAINING) CERTIFICATES

Consult Chapter B.IV/II.3 and 4 in connection with the posts/capacities in which candidates who are in possession of such certificates may be appointed.

4. CONTRACT APPOINTMENTS

(1) Contract appointments in terms of Chapter B.III/I/10(2) may be made against any post in any division of the Public Service. The designations applicable to the equivalent permanent ranks, with the addition of the words "(on contract)" thereafter, should be applied to employees who are thus appointed on contract.

(2) Appointments on contract against posts in promotion grades (including such posts in the B Division) should be recommended by the Commission. Consult Chapter B.III/III/H/5 with regard to nominations in respect of such appointments.

- (3) Although it is customary to appoint non-South African citizens in a contractual capacity, South African citizens may also, on recommendation of the Commission, in exceptional circumstances be appointed on contract, for instance where they are excluded from permanent appointment for technical reasons or where they possess specialised knowledge which necessitates their employment for the performance of special tasks for predetermined periods.

5. TEMPORARY APPOINTMENTS OF QUALIFIED AND UNQUALIFIED PERSONS

- (1) Candidates who do not qualify for fixed appointment, may be employed as employees, as defined in section 1(1) of the *Public Service Act, 1994*, against -
 - (a) vacant posts on the fixed establishment of the Public Service which cannot be suitably filled by means of promotion or transfer of officers or the appointment of eligible candidates (permanent or on contract); or
 - (b) authority which has been granted for the employment of temporary personnel additional to the approved establishments of departments.
- (2) For purposes of this Chapter and Chapter B.V employees are divided into the following main groups and subgroups:
 - (a) Full-time employees, i.e.
 - (i) qualified employees; and
 - (ii) unqualified employees.
 - (b) Part-time employees, i.e. those employees who are unable to place their services at the disposal of the State in a full-time capacity.
- (3) Definition of subgroups

For the sake of clarity, the subgroups referred to in subparagraph (2)(a)(i) and (ii) are defined as follows:

- (a) Qualified employees are those persons who -
 - (i) possess the minimum educational and/or other qualifications prescribed for permanent appointment to the vacant posts against which they are employed;
 - (ii) comply with the requirements for permanent appointment to the posts concerned as regards minimum age and/or experience; and
 - (iii) do not qualify for permanent appointment because they -
 - (aa) are not medically fit; or

- (bb) do not comply with the citizenship requirements; or
 - (cc) have already attained the age limit.
- (b) Unqualified employees are those employees who do not comply with the definition in (a)(i) and (ii).
- (4) Authority and rules for the employment of part-time employees
- (a) Authority is, in specific Personnel Administration Standards, granted to departments for the employment in a part-time capacity of persons, including pensioners, who are unable to place their services at the disposal of the State in a full-time capacity.
 - (b) A head of department must satisfy himself/herself that the employment of persons in a part-time capacity will not -
 - (i) be detrimental to his/her department's internal liaison or to liaison with other departments and/or the public;
 - (ii) weaken the feeder source for the officer cadre, or the career prospects of officers.
 - (c) Part-time employees may be employed in and promoted to part-time ranks against suitable vacant posts in entry as well as promotion ranks or against special provisions for the employment of full-time or part-time units. A recommendation from the Commission must however be obtained for the appointment of part-time units in promotion ranks.

Furthermore, the following conditions are applicable:

- (i) Full-time candidates must not be available, excepting when the department is of the opinion that it is advisable, irrespective of the availability of full-time candidates, to employ part-time employees.
- (ii) The promotion of part-time personnel is subject to the conditions prescribed for the promotion of full-time staff.
- (iii) Part-time employees may only be employed against those entry/promotion posts or provisions where supervision over full-time personnel is not a requirement.
- (iv) The rank designation of personnel thus engaged in a parttime capacity are determined by the relevant Personnel Administration Standard as for full-time employees and with the addition of the word "part-time".
- (v) Where part-time employees are employed against vacant posts, three part-time units may be employed for every two vacancies.

(vi) The following hours of attendance should be observed daily:-

	Where a 40-hour working week is observed	Where a 44-hour working week is observed	Where a 48-hour working week is observed
Where a 5-day working week is observed	4 ³ / ₄ hours	5 ¹ / ₂	6 hours
Where a 6-day working week is observed	4 ¹ / ₄	4 ¹ / ₂	5 hours

(5) Appointment and employment of persons of advanced age

The further employment and salary progression of persons who on appointment in a temporary full-time or part-time capacity have already attained the age of 65 years, should be considered annually by Staff Advisory Committees in the light of their ability to perform their duties satisfactorily. The services of those who are no longer able to perform their duties satisfactorily as a result of their advanced age should be terminated unless they can be translated to a lower rank (and salary scale) with less strenuous duties or, in the case of a full-time employee to a part-time capacity. Also consult Chapters B.VI/II/2 and 3 and B.VIII/II/6 in this regard.

6. EMPLOYMENT OF CASUAL EMPLOYEES

- (1) Provision for the employment of casual employees, where applicable, is made in the Personnel Administration Standards (see Chapter K.II/1) for the various occupational classes. The departments who obtained specific authorisation from the Commission to employ such casual employees, are also identified in the relevant Personnel Administration Standards and it is stressed that such authorisation only apply in respect of the thus-identified departments. Where relevant departments experience the need to employ casual employees other than those for which they have specific authorisation, or where other departments also experience the need to employ any casual employees, motivated representations should be submitted to the Commission to obtain the necessary authorisation.
- (2) The conditions upon which casual employees may be employed, as contained in Chapter B.III/II/17, should be borne in mind.

7. APPOINTMENT OF STUDENTS DURING UNIVERSITY VACATIONS AND OF ALLOTTED STUDENTS

(1) Students during university vacations

- (a) Students may be employed during university vacations -

- (i) against suitable vacant posts; and
 - (ii) additional to the establishment if, for special reasons, the Commission has so recommended.
- (b) The employment of students must take place in the following order of preference:-
- (i) Students who study with the aid of Public Service Bursaries and who are required to undergo practical training.
 - (ii) Students who are Public Service Bursary holders, but who are not required to undergo practical training.
 - (iii) Students who are not Public Service Bursary holders.
- (c) Students required to undergo compulsory practical training during their studies should be employed on work appropriate to their fields of study. Attention is also directed to the provisions of Chapter C.V/4.4.
- (d) The conditions upon which these students may be employed, are contained in Chapter B.III/II/18.
- (e) The rank designations of students employed in terms of subparagraph (a), are determined by the relevant Personnel Administration Standard as for full-time employees and with the addition of the word "part-time".
- (2) Allotted Students

Authorisation and the basis and conditions for the employment of Allotted Students are contained in Chapter C.V/4.4

8. FILLING OF POSTS IN THE B DIVISION

Although the filling of posts in the B division may be effected by departments without the recommendation of the Commission, the provisions of this and other Chapters, where applicable, should be interpreted as relating equally to the filling of posts in that division.

C. ANNEXURE C

PART-TIME STUDY: PAYMENT OF TUITION, REGISTRATION AND EXAMINATION FEES FROM STATE FUNDS, E.G. FOR NATIONAL DIPLOMA (PUBLIC ADMINISTRATION).

UNDERTAKING

1. (a) Whereas I, the undersigned, (full name) (hereinafter called "the Officer"), born on 19, an officer in the service of the State in the (name of department) (hereinafter called "the Department"), am desirous of taking on a part-time basis (name of course) (hereinafter called "the Course"), which extends over a prescribed minimum period/prescribed minimum remaining period of year(s);
 - (b) And whereas I must for the aforementioned purpose attend classes and/or undertake study/research, as the case may be, at an approved training institution as stipulated by the Department from time to time;
 - (c) And, where applicable, whereas the Department will allow me to attend such classes during official hours of duty for the prescribed minimum duration/prescribed minimum remaining duration of the Course;
 - (d) And whereas the Department will, from State funds, pay on my behalf such fees which the said training institution may charge in respect of the Course, for the prescribed minimum duration/prescribed minimum remaining duration of the Course;
2. Therefore I undertake -
 - (a) to commence the Course with effect from the academic year, to take the Course part-time while I am in the service of the Department and to complete the Course successfully within the aforementioned period or within such extended period as may be approved in terms of clause 3(b)(ii);
 - (b) to furnish the Department with satisfactory proof of enrolment for the Course at the commencement of each year of study;
 - (c) to furnish the Department with official proof of my examination results immediately after the results of any annual examinations/supplementary examinations have been made known by the examining authority;
 - (d) after I have complied with all the requirements of the Course, immediately to continue to serve the Department or such department to which I may be transferred, in any capacity for which the department concerned may consider me suitable, for a continuous period of one year for each individual year of study or part thereof in respect of which fees were paid to me and/or on my behalf (hereinafter called "the Contract Period"), in the post/rank to which I was appointed or to which I may be transferred/promoted: Provided that -

- (i) subject to the provisions of clause 4(a) and (f), a service obligation in respect of a previous year of study which was completed successfully, in other words, a year of study in respect of which I have no subjects outstanding which will cause me to exceed the prescribed minimum duration/prescribed minimum remaining duration of the Course, as the case may be, may be fulfilled by means of full-time uninterrupted service in any subsequent year: Provided further that where a thesis or dissertation has been laid down as the chief requirement for the Course, a year of study will be regarded as having been completed successfully if I submit to the Department documentary evidence which indicates to its satisfaction that I have progressed satisfactorily with such thesis or dissertation during the year of study concerned. If I fail to fulfil the service obligation during such subsequent year, the service obligation may be reduced pro-rata on the basis of each completed calendar months' full-time uninterrupted service in the said subsequent year, and
 - (ii) after/if I have completed at least 5 years' full-time uninterrupted service in the Public Service, no service shall be required of me in terms of this undertaking with effect from 1 January of the year subsequent to the year in which I completed the 5-year period of service, and
- (e) if I fail to comply with the conditions contained in clause 2(a) or (d), or if the Department withdraws in terms of clause 3(c) the privileges granted in terms of clause 1(c) and (d), or if I leave, or am discharged from, the Public Service before successful completion of the Course or before expiry of the Contract Period, to repay immediately the following moneys in a lump sum to the department in which I am employed at the time of my non-compliance with such condition(s):
- (i) The total amount of tuition fees paid to me and/or on my behalf in terms of this undertaking -
 - (aa) where clause 2(d)(ii) is not applicable, in respect of which I have not yet redeemed the service obligation, as determined by clause 2(d), or
 - (bb) where clause 2(d)(ii) is applicable, in respect of which I have not completed a year/years of study successfully, that is to say, where I have not passed a sufficient number of subjects, which will result in my having to exceed the prescribed minimum duration/minimum remaining duration of the Course, as the case may be: Provided that where a thesis or dissertation has been laid down as the chief requirement for the Course, a year/years of study is/are regarded as being unsuccessful if the Department is, on the basis of documentary evidence submitted to it, of the opinion that I have not progressed satisfactorily with such thesis or dissertation during the year(s) of study concerned.
 - (ii) Interest on the amount referred to in clause 2(e)(i) at the ruling rate of interest applicable from time to time or debts due to the State, as determined by or in terms of the relevant financial prescripts of the Department of State Expenditure, calculated from the date on which the obligation to pay arose in terms of clause 2(e) to date of payment.

C. ANNEXURE C

6

3. I understand and accept that -

- (a) I shall be responsible for the payment of all expenses and fees (with the exception of the tuition fees as defined in clause 1(d)) attaching to the Course;
- (b) the Department may at any time suspend the privileges granted in terms of clause 1(c) and (d) if the Department is, in its sole discretion, of the opinion that I am not making satisfactory progress with the Course. If the Department so suspends such privileges -
 - (i) I shall be obliged to repeat and complete successfully at my own expense and in my own time any subjects which I have outstanding. If I do not immediately continue my studies, except where the Department has granted me postponement in writing, I shall be deemed to have abandoned the Course, in which event clause 2(e) shall apply;
 - (ii) I shall be permitted to exceed the prescribed minimum duration/minimum remaining duration of the Course by a period as determined by the Department;
 - (iii) I shall continue to be subject to the provisions of this undertaking during such period of suspension, and
 - (iv) the Department may at any time thereafter reinstate the privileges granted in terms of clause 1(c) and (d) if the Department is, in its sole discretion, of the opinion that I have made satisfactory progress with the Course;
- (c) the Department may at any time withdraw the privileges granted in terms of clause 1(c) and (d) if I have failed to comply with the provisions of clause 2(b) or (c) or if the Department is, in its sole discretion, of the opinion that I have not made satisfactory progress with the Course, that I did not attend lectures and/or practical classes regularly or that it is not in the interests of the State that the privileges continue to be granted. In such an event the provisions of clause 2(e) shall apply, and
- (d) notwithstanding anything mentioned in this undertaking, if the Department withdraws the privileges granted in terms of clause 1(c) and (d) or if I abandon the Course the Department may, in its sole discretion and on the conditions it may determine, permit me to fulfil by means of service in the Department or such department to which I may be transferred, a service obligation in respect of one or more years of study which has/have been successfully completed, that is, years of study in respect of which I have no subjects outstanding which will cause me to exceed the prescribed minimum duration/prescribed minimum remaining duration of the Course, as the case may be: Provided that where a thesis or dissertation has been laid down as the chief requirement for the Course, the Department may similarly allow me to redeem by service in the Public Service a service obligation in respect of one or more years of study, on condition that I am able to submit to the Department documentary evidence which indicates to its satisfaction that I have progressed satisfactorily with such thesis or dissertation during the year(s) of study concerned.

C. ANNEXURE C

4. I accept further that -

- (a) as far as my absence due to leave from my normal duties during the Contract Period is concerned, only vacation leave on full pay (with the exception of vacation leave granted to me for purposes of study), sick leave on full pay or partly on pay and special sick leave which may be granted as a result of an injury on duty, shall count as service for completing the Contract Period;
- (b) periods of study during official hours of duty with retention of salary with the object of obtaining an entrance qualification, shall not count as service in fulfilment of a service obligation in terms of any agreement/undertaking which I have entered/may enter into with the State. Should any such agreement(s)/undertaking(s) contain provisions to the contrary, they shall be regarded as amended accordingly;
- (c) if I leave, or am discharged from, the Public Service, any moneys due to me by the State, including any pension moneys, may be withheld and set off against any moneys due to the State in terms of this undertaking;
- (d) irrespective of the amount involved in terms of this undertaking, any action which may arise from this undertaking may be instituted in a magistrate's court in South Africa which may otherwise have jurisdiction;
- (e) if my obligations in terms of this undertaking cannot be fulfilled owing to my death or if such obligations cannot, in the discretion of the Department or such department to which I may be transferred, be fulfilled owing to the fact that I have become incapacitated by any mental or physical disability, any liability for the refund of any moneys which may be due in terms of this undertaking shall lapse. This concession shall be applicable only where the provisions of clause 2(e) have not taken effect;
- (f) this undertaking shall not absolve me from any obligations in terms of any other undertaking(s)/agreement(s) which I have entered/may enter into with the State. Periods of compulsory service resulting from and in terms of more than one undertaking/agreement, shall be served consecutively and in the order in which such undertaking(s)/agreement(s) were/are entered into. Should any such agreement(s)/undertaking(s) contain provisions to the contrary, they shall be regarded as amended accordingly;
- (g) this undertaking may be amended only with the written approval of the Department;
and
- (h) a certificate issued by the Department or such department to which I may be transferred shall serve as irrefutable evidence of the amount due by me to the department concerned in terms of this undertaking.

C. ANNEXURE C

5. I elect as my domicilium citandi et executandi and for the purposes of any notice or for the service of any legal process arising out of this undertaking, the following address in South Africa:

.....
.....
.....
..... South Africa.

Signed at this day of 19.....

.....
SINGATURE OF THE OFFICER

WITNESSES:

(a)

(b)

(If the Officer is a minor, this undertaking must be countersigned by his/her legal guardian.)

Assisted by me.

.....
**COUNTERSIGNED BY THE LEGAL
GUARDIAN OF THE OFFICER**

WITNESSES:

(a)

(b)

Full name of legal guardian:

.....

Relationship:

Address:

.....
.....
.....
.....

C. ANNEXURE D

2

FULL-TIME STUDY WITH RETENTION OF SALARY AND PAYMENT OF TUITION, REGISTRATION AND EXAMINATION FEES FROM STATE FUNDS E.G. PUPIL TECHNICIAN

UNDERTAKING

1. (a) Whereas I, the undersigned, (full name) (hereinafter called "the Officer"), born on 19, an officer in the service of the State in the Department of (name of Department)(hereinafter called "the Department") am desirous of taking on a full-time and/or part-time basis the.....(name of course) in (hereinafter called "the Course"), of which the theoretical and practical portions extend over a prescribed minimum period/prescribed minimum remaining period of year(s);
 - (b) and whereas I must for the aforementioned purpose attend classes during official hours of duty and/or undertake study/research, as the case may be, at an approved training institution as stipulated by the Department from time to time;
 - (c) and whereas the Department will allow me to attend such classes during official hours of duty for the prescribed minimum duration/prescribed minimum remaining period of the Course, and, where applicable, will give for such practical training as may be necessary for the completion of the Course;
 - (d) and whereas the Department will, from State funds, pay on my behalf such fees which the said training institution may charge in respect of the Course, for the prescribed minimum duration/prescribed minimum remaining duration of the Course.
2. Therefore I undertake -
 - (a) to commence the Course with effect from the date of my assumption of duty in the pupil grade, to take the Course while I am in the service of the Department and to complete the Course successfully within the aforementioned period or within such extended period as may be approved in terms of clause 3(c)(ii);
 - (b) to furnish the Department with satisfactory proof of enrolment for the Course at the commencement of each period during which I am exempted from service to attend the Course;
 - (c) to report for and resume my normal duties in the Department, at the centre specified by the Department from time to time, during the vacations when I am released from attendance at lectures and/or practical/theoretical training as may be prescribed by the said training institution, unless leave of absence is granted to me in respect of such period(s);
 - (d) to undergo such practical training as may be prescribed by the aforementioned training institution as part of the Course or as may be required for purposes of registration in my particular profession, in the Department, if the Department so desires;
 - (e) to furnish the Department with official proof of my examination results immediately after the results of any annual examinations/supplementary examinations have been made known by the examining authority;
 - (f) after I have complied with all the requirements of the Course, that is after successful completion of the prescribed theoretical and practical training, and after I have been translated to the next higher rank, immediately to continue to serve the Department or such Department to which I may be transferred, in any capacity for which the department concerned may consider me suitable, for a continuous period of one year for -

C. ANNEXURE D

4

- each individual trimester or semester, as the case may be, or part thereof in respect of which I was released from duty for the purpose of attending full-time classes for the completion of the Course, and/or
- each individual year of study or part thereof in respect of which I was released from duty for the purpose of attending part-time classes for the completion of the Course,

to a maximum of three years (hereinafter called "the Contract Period"), in the post/rank to which I was appointed or to which I may be transferred/promoted, and;

(g) if I fail to comply with the conditions contained in clause 2(a) or (f), or if the Department withdraws in terms of clause 3(d) the privileges granted in terms of clause 1(c) and (d), or if I leave, or am discharged from, the Public Service before successful completion of the Course or before commencement or expiry of the Contract Period, to repay immediately the following moneys in a lump sum to the department in which I am employed at the time of my non-compliance with such condition(s):

- (i) the total amount of tuition, registration and examination fees paid to me and/or on my behalf in terms of this undertaking,
- (ii) the remuneration, including personal non-pensionable allowances and service bonus received by me during each individual period or portion thereof during which I was exempted from duty in order to attend the Course,
- (iii) where the theoretical training was provided by the Department itself -
 - (aa) an amount equal to the fees prescribed by the relevant educational institution for a comparable course, in respect of each individual period during which I was exempted from duty for the purpose of attending such departmental course(s), and
 - (bb) the remuneration, including personal non-pensionable allowances and service bonus received by me during each individual period during which I was exempted from duty in order to attend such course(s):
- (iv) where the theoretical training of the Course is offered on a part-time basis, the remuneration on the basis of one day's remuneration for every eight hours during which I was released from duty in order to attend such theoretical training, excluding personal non-pensionable allowance and service bonus:

Provided that the amount so due shall be reduced in the same proportion as the number of calendar month's full-time uninterrupted service rendered in terms of this undertaking bears to the Contract Period, and

- (v) interest on the amount in clause 2(g) (i), (ii), (iii) and/or (iv) as the case may be, at the ruling rate of interest applicable from time to time to debts due to the State, as determined by or in terms of the relevant financial prescripts of the Department of State Expenditure calculated from the date on which the obligation to pay arose in terms of clause 2 (g) to date of payment;

A/S 1/4/1 (23/95)

C. ANNEXURE D

6

3. I understand and accept that -

- (a) I shall be responsible for the payment of all expenses and fees (with the exception of tuition, examination and registration fees as defined in clause 1(d)) attaching to the Course;
- (b) the journeys to and from the place(s) to which I have to report in terms of clause 2(c), shall be regarded as official journeys: Provided that no subsistence allowance shall be payable during the said journeys or during the periods of service at the said place or places;
- (c) the Department may at any time suspend the privileges granted in terms of clause 1(c) and (d) if the Department is, in its sole discretion, of the opinion that I am not making satisfactory progress with the Course. If the Department so suspends such privileges -
 - (i) I shall be obliged to repeat and complete successfully at my own expense and in my own time any subjects which I have outstanding. If I do not immediately continue my studies, except where the Department has granted me postponement in writing, I shall be deemed to have abandoned the Course, in which event clause 2(g) shall apply;
 - (ii) I shall be permitted to exceed the prescribed minimum duration/ minimum remaining duration the Course by a period as determined by the Department;
 - (iii) I shall continue to be subject to the provisions of this undertaking during such period of suspension, and
 - (iv) the Department may at any time thereafter reinstate the privileges granted in terms of clause 1(c) and (d) if the Department is, in its sole discretion, of the opinion that I have made satisfactory progress with the Course;
- (d) the Department may at any time withdraw the privileges granted in terms of clause 1(c) and (d) if I have failed to comply with the provisions of clause 2(b), (c), (d) or (e) or if the Department is, in its sole discretion, of the opinion that I have not made satisfactory progress with the Course, that I did not attend lectures and/or practical classes regularly or that it is not in the interests of the State that the privileges continue to be granted. In such an event the provisions of clause 2(g) shall apply, and
- (e) notwithstanding anything mentioned in this undertaking, if the Department withdraws the privileges granted in terms of clause 1(c) and (d) or if I abandon the Course the Department may, in its sole discretion and on the conditions it may determine, permit me to fulfil, by means of service in the Department or such department to which I may be transferred, a service obligation in respect of one or more periods during which I was released from duty to attend the Course, which has/have been successfully completed, that is, such periods in respect of which I have no subjects outstanding.

4. I accept further that -

- (a) as far as my absence due to leave from my normal duties during the Contract Period is concerned, only vacation leave on full pay (with the exception of vacation leave granted to me for purposes of study) sick leave on full pay or partly on pay and special sick leave which may be granted as a result of an injury on duty, shall count as service for completing the Contract Period;

C. ANNEXURE D

8

- (b) periods of study during official hours of duty with retention of salary with the object of obtaining an entrance qualification, shall not count as service in fulfilment of a service obligation in terms of any agreement/undertaking which I have entered/may enter into with the State. Should any such agreement(s)/undertaking(s) contain provisions to the contrary, they shall be regarded as amended accordingly;
- (c) if I leave, or am discharged from, the Public Service, any moneys due to me by the State, including any pension moneys, may be withheld and set off against any moneys due to the State in terms of this undertaking;
- (d) irrespective of the amount involved any action which may arise from this undertaking may be instituted in a magistrate's court in South Africa which may otherwise have jurisdiction;
- (e) if my obligations in terms of this undertaking cannot be fulfilled owing to my death or if such obligations cannot, in the discretion of the Department or such department to which I may be transferred, be fulfilled owing to the fact that I have become incapacitated by mental or physical disability, any liability for the refund of any moneys which may be due in terms of this undertaking shall lapse. This concession shall be applicable only where the provisions of clause 2(g) have not taken effect;
- (f) this undertaking shall not absolve me from any obligations in terms of any other undertaking(s)/agreement(s) which I have entered/may enter into with the State. Periods of compulsory service resulting from and in terms of more than one undertaking/agreement, shall be served consecutively and in the order in which such undertaking(s)/agreement(s) were/are entered into. Should any such agreement(s)/undertaking(s) contain provisions to the contrary, they shall be regarded as amended accordingly;
- (g) this undertaking may be amended only with the written approval of the Department; and
- (h) a certificate issued by the Department or such department to which I may be transferred shall serve as irrefutable evidence of the amount due by me to the department concerned in terms of this undertaking.

C. ANNEXURE D

5. I elect as my domicilium citandi et executandi and for the purpose of any notice or for the service of any legal process arising out of this undertaking, the following address in South Africa:

.....
.....
.....
..... South Africa.

Signed at this day of 19

.....
SIGNATURE OF THE OFFICER

WITNESSES :

(a)

(b)

(If the officer is a minor, this undertaking must be countersigned by his/her legal guardian).

Assisted by me,

.....
COUNTERSIGNED BY LEGAL GUARDIAN OF THE OFFICER

WITNESSES:

(a)

(b)

Full name of legal guardian:

.....

Relationship:

Address:

.....
.....
.....
.....

FULL-TIME STUDY WITH RETENTION OF SALARY (UNDERGRADUATE) B.IURIS

UNDERTAKING

1. (a) Whereas I, the undersigned, (full name) (hereinafter called "the Officer"), born on 19, an officer in the service of the State in the (name of department) (hereinafter called "the Department"), am desirous of taking on a full-time basis (name of course) (hereinafter called "the Course"), which extends over a prescribed minimum period/prescribed minimum remaining period of year(s);
 - (b) And whereas I must for the aforementioned purpose attend classes in official hours of duty and/or undertake study/research, as the case may be, at an approved training institution as stipulated by the Department from time to time;
 - (c) And whereas the Department will allow me to attend such classes in official hours of duty for the prescribed minimum duration/prescribed minimum remaining duration of the Course;
2. Therefore I undertake -
 - (a) to commence the Course with effect from the academic year, to take the Course full-time while I am in the service of the Department and to complete the Course successfully within the aforementioned period or within such extended period as may be approved in terms of clause 3(c)(ii);
 - (b) to furnish the Department with satisfactory proof of enrolment for the Course at the commencement of each year of study;
 - (c) to report for and resume my normal duties in the Department, at the centre specified by the Department from time to time, during the vacations when I am released from attendance at lectures and/or practical/theoretical training as may be prescribed by the said training institution, unless leave of absence is granted to me in respect of such period(s);
 - (d) to undergo such practical training as may be prescribed by the aforementioned training institution as part of the Course or as may be required for purposes of registration in my particular profession, in the Department, if the Department so desires;
 - (e) to furnish the Department with official proof of my examination results immediately after the results of any annual examination/ supplementary examinations have been made known by the examining authority;
 - (f) after I have complied with all the requirements of the Course, immediately to continue to serve the Department or such department to which I may be transferred, in any capacity for which the department concerned may consider me suitable, for a continuous period of one year for each individual year of study or part thereof in respect of which I was released from duty for the purpose of attending full-time classes for the completion of the Course (hereinafter called "the Contract Period"), in the post/rank to which I was appointed or to which I may be transferred/promoted, and

- (g) if I fail to comply with the conditions contained in clause 2(a) or (f), or if the Department withdraws in terms of clause 3(d) the privilege granted in terms of clause 1(c), or if I leave, or am discharged from, the Public Service before successful completion of the Course or before expiry of the Contract Period, to repay immediately the following moneys in a lump sum to the department in which I am employed at the time of my non-compliance with such condition(s) :
- (i) The remuneration, including personal non-pensionable allowance and service bonus, received by me during each individual year of study or portion thereof during which I was exempted from duty in order to attend the Course: Provided that the amount so due shall be reduced in the same proportion as the number of calendar months' full-time uninterrupted service rendered in terms of this undertaking bears to the Contract Period, and
 - (ii) interest on the amount referred to in clause 2(g)(i) at the ruling rate of interest applicable from time to time to debts due to the State, as determined by or in terms of the relevant financial prescripts of the Department of State Expenditure, calculated from the date on which the obligation to pay arose in terms of clause 2(g) to date of payment.

3. I understand and accept that -

- (a) I shall be responsible for the payment of the expenditure on my transport and/or the transport of my household and personal effects to the training institution, as well as for the payment of all expenses and fees attaching to the Course;
- (b) the journeys to and from the place(s) to which I have to report in terms of clause 2(c), shall be regarded as official journeys: Provided that no subsistence allowance shall be payable during the said journeys or during the periods of service at the said place or places;
- (c) the Department may at any time suspend the privilege granted in terms of clause 1(c) if the Department is, in its sole discretion, of the opinion that I am not making satisfactory progress with the Course. If the Department so suspends such privilege -
 - (i) I shall be obliged to repeat and complete successfully at my own expense and in my own time any subjects which I have outstanding. If I do not immediately continue my studies, except where the Department has granted me postponement in writing, I shall be deemed to have abandoned the Course, in which event clause 2(g) shall apply;
 - (ii) I shall be permitted to exceed the prescribed minimum duration/minimum remaining duration of the Course by a period as determined by the Department;
 - (iii) I shall continue to be subject to the provisions of this undertaking during such period of suspension, and
 - (iv) the Department may at any time thereafter reinstate the privilege granted in terms of clause 1(c) if the Department is, in its sole discretion, of the opinion that I have made satisfactory progress with the Course;
- (d) the Department may at any time withdraw the privilege granted in terms of clause 1(c) if I have failed to comply with the provisions of clause 2(b), (c), (d) or (e) or if the Department is, in its sole discretion, of the opinion that I have not made satisfactory progress with the Course, that I did not attend lectures and/or practical classes regularly or that it is not in the interests of the State that the privilege continue to be granted. In such an event the provisions of clause 2(g) shall apply, and

C. ANNEXURE E

6

- (e) notwithstanding anything mentioned in this undertaking, if the Department withdraws the privilege granted in terms of clause 1(c) or if I abandon the Course the Department may, in its sole discretion and on the conditions it may determine, permit me to fulfil by means of service in the Department or such department to which I may be transferred, a service obligation in respect of one or more years of study which has/have been successfully completed, that is, years of study in respect of which I have no subjects outstanding which will cause me to exceed the prescribed minimum duration/prescribed minimum remaining duration of the Course, as the case may be.

4. I accept further that -

- (a) as far as my absence due to leave from my normal duties during the Contract Period is concerned, only vacation leave on full pay (with the exception of vacation leave granted to me for purposes of study), sick leave on full pay or partly on pay and special sick leave which may be granted as a result of an injury on duty, shall count as service for completing the Contract Period;
- (b) periods of study during official hours of duty with retention of salary with the object of obtaining an entrance qualification shall not count as service in fulfilment of a service obligation in terms of any agreement/undertaking which I have entered/may enter into with the State. Should any such agreement(s)/ undertaking(s) contain provisions to the contrary, they shall be regarded as amended accordingly;
- (c) if I leave, or am discharged from, the Public Service, any money due to me by the State, including any pension moneys, may be withheld and set off against any moneys due to the State in terms of this undertaking;
- (d) irrespective of the amount involved in terms of this undertaking any action which may arise from this undertaking may be instituted in a magistrate's court in South Africa which may otherwise have jurisdiction;
- (e) if my obligations in terms of this undertaking cannot be fulfilled owing to my death or if such obligations cannot, in the discretion of the Department or such department to which I may be transferred, be fulfilled owing to the fact that I have become incapacitated by any mental or physical disability, any liability for the refund of any moneys which may be due in terms of this undertaking shall lapse. This concession shall be applicable only where the provisions of clause 2(g) have not taken effect;
- (f) this undertaking shall not absolve me from any obligations in terms of any other undertaking(s)/agreement(s) which I have entered/may enter into with the State. Periods of compulsory service resulting from and in terms of more than one undertaking/ agreement, shall be served consecutively and in the order in which such undertaking(s)/agreement(s) were/are entered into. Should any such agreement(s)/undertaking(s) contain provisions to the contrary, they shall be regarded as amended accordingly;
- (g) this undertaking may be amended only with the written approval of the Department; and
- (h) a certificate issued by the Department or such department to which I may be transferred shall serve as irrefutable evidence of the amount due by me to the department concerned in terms of this undertaking.

C. ANNEXURE E

5. I elect as my domicilium citandi et executandi and for the purposes of any notice or for the service of any legal process arising out of this undertaking, the following address in South Africa:

.....
.....
....., SOUTH AFRICA

Signed at this..... day of 19

.....
SIGNATURE OF THE OFFICER

WITNESSES:

(a)

(b)

(If the Officer is a minor, this undertaking must be countersigned by his/her legal guardian)

.....
Assisted by me,

.....
COUNTERSIGNED BY LEGAL GUARDIAN OF THE OFFICER

WITNESSES:

(a)

(b)

Full name of legal guardian:
.....
.....

Relationship:

Address:
.....
.....
.....
.....

FULL-TIME UNDERGRADUATE STUDY WITH RETENTION OF SALARY, FOR EXAMPLE B.Sc. (FORESTRY), NOT BY DIRECTION OF THE DEPARTMENT

UNDERTAKING

1. (a) Whereas I, the undersigned, (full name) (hereinafter called "the Officer") born on 19...., an officer in the service of the State in the (name of department) (hereinafter called "the Department") am desirous of taking on a full-time basis (name of course) (hereinafter called "the Course"), which extends over a prescribed minimum period/prescribed minimum remaining period of year(s) ;
 - (b) And whereas I must for the aforementioned purpose attend classes in official hours of duty and/or undertake study/research, as the case may be, at an approved training institution as stipulated by the Department from time to time ;
 - (c) And whereas the Department will allow me to attend such classes in official hours of duty for the prescribed minimum duration/prescribed minimum remaining duration of the Course.
2. Therefore I undertake -
 - (a) to commence the Course with effect from the academic year, to take the Course full-time while I am in the service of the Department and to complete the Course successfully within the aforementioned period or within such extended period as may be approved in terms of clause 3(c)(ii) ;
 - (b) to furnish the Department with satisfactory proof of enrolment for the Course at the commencement of each year of study ;
 - (c) to report for and resume my normal duties in the Department, at the centre specified by the Department from time to time, during the vacations when I am released from attendance at lectures and/or practical/theoretical training as may be prescribed by the said training institution, unless leave of absence is granted to me in respect of such period(s) ;
 - (d) to undergo such practical training as may be prescribed by the aforementioned training institution as part of the Course or as may be required for purposes of registration in my particular profession, in the Department, if the Department so desires ;
 - (e) to furnish the Department with official proof of my examination results immediately after the results of any annual examinations/supplementary examinations have been made known by the examining authority ;
 - (f) after I have complied with all the requirements of the Course, immediately to continue to serve the Department or such department to which I may be transferred, in any capacity for which the department concerned may consider me suitable, for a continuous period of one year for each individual year of study or part thereof in respect of which I was released from duty for the purpose of attending full-time classes for the completion of the Course (hereinafter called "the Contract Period") in the post/rank to which I was appointed or to which I may be transferred/promoted, and
 - (g) if I fail to comply with the conditions contained in clause 2(e) or (f), or if the Department withdraws in terms of clause 3(d) the privilege granted in terms of clause 1(c), or if I leave, or am discharged from, the Public Service before successful completion of the Course or before expiry of the Contract Period, to repay immediately the following moneys in a lump sum to the department in which I am employed at the time of my non-compliance with such condition(s) :

- (i) (aa) The remuneration, including personal non-pensionable allowances and service bonus, received by me during each individual year of study or portion thereof during which I was exempted from duty in order to attend the Course, and
- (bb) The expenditure on transport and/or storage of personal effects, which was incurred in terms of clause 3(a).

Provided that the amount so due shall be reduced in the same proportion as the number of calendar months' full-time uninterrupted service rendered in terms of this undertaking bears to the Contract Period and

- (ii) Interest on the amount referred to in clause 2(g)(i) at the ruling rate of interest applicable from time to time to debts due to the State, as determined by or in terms of the relevant financial prescripts of the Department of State Expenditure, calculated from the date on which the obligation to pay arose in terms of clause 2(g) to date of payment.

3. I understand and accept that -

- (a) I shall be responsible for the payment of all expenses and fees attaching to the Course : Provided that the Department shall be responsible for the payment of transport expenses for myself and my household and personal effects on the basis and subject to the conditions approved by the Treasury on the recommendation of the Commission ;
- (b) the journeys to and from the place(s) to which I have to report in terms of clause 2(c), shall be regarded as official journeys: Provided that no subsistence allowance shall be payable during the said journeys or during the periods of service at the said place or places;
- (c) the Department may at any time suspend the privilege granted in terms of clause 1(c) if the Department is, in its sole discretion, of the opinion that I am not making satisfactory progress with the Course. If the Department so suspends such privilege -
 - (i) I shall be obliged to repeat and complete successfully at my own expense and in my own time any subjects which I have outstanding. If I do not immediately continue my studies, except where the Department has granted me postponement in writing, I shall be deemed to have abandoned the Course, in which event clause 2(g) shall apply ;
 - (ii) I shall be permitted to exceed the prescribed minimum duration/minimum remaining duration of the Course by a period as determined by the Department;
 - (iii) I shall continue to be subject to the provisions of this undertaking during such period of suspension; and
 - (iv) the Department may at any time thereafter reinstate the privilege granted in terms of clause 1(c) if the Department is, in its sole discretion, of the opinion that I have made satisfactory progress with the Course ;
- (d) the Department may at any time withdraw the privilege granted in terms of clause 1(c) if I have failed to comply with the provisions of clause 2(b), (c), (d) or (e) or if the Department is, in its sole discretion, of the opinion that I have not made satisfactory progress with the Course, that I did not attend lectures and/or practical classes regularly or that it is not in the interests of the State that the privilege continue to be granted. In such an event the provisions of clause 2(g) shall apply, and

- (e) notwithstanding anything mentioned in this undertaking, if the Department withdraws the privilege granted in terms of clause 1(c) or if I abandon the Course, the Department may, in its sole discretion, and on the conditions it may determine, permit me to fulfil by means of service in the Department or such department to which I may be transferred, a service obligation in respect of one or more years of study which has/have been successfully completed, that is, years of study in respect of which I have no subjects outstanding which will cause me to exceed the prescribed minimum duration/prescribed minimum remaining duration of the Course, as the case may be.

4. I accept further that -

- (a) as far as my absence due to leave from my normal duties during the Contract Period is concerned, only vacation leave on full pay (with the exception of vacation leave granted to me for purposes of study), sick leave on full pay or partly on pay and special sick leave which may be granted as a result of an injury on duty, shall count as service for completing the Contract Period ;
- (b) periods of study during official hours of duty with retention of salary with the object of obtaining an entrance qualification, shall not count as service in fulfilment of a service obligation in terms of any agreement/undertaking which I have entered/may enter into with the State. Should any such agreement(s)/undertaking(s) contain provisions to the contrary, they shall be regarded as amended accordingly ;
- (c) if I leave, or am discharged from, the Public Service, any moneys due to me by the State, including any pension moneys, may be withheld and set off against any moneys due to the State in terms of this undertaking ;
- (d) irrespective of the amount involved in terms of this undertaking, any action which may arise from this undertaking may be instituted in a magistrate's court in South-Africa which may otherwise have jurisdiction ;
- (e) if my obligations in terms of this undertaking cannot be fulfilled owing to my death or if such obligation cannot, in the discretion of the Department or such department to which I may be transferred, be fulfilled owing to the fact that I have become incapacitated by any mental or physical disability, any liability for the refund of any moneys which may be due in terms of this undertaking shall lapse. This concession shall be applicable only where the provisions of clause 2(g) have not taken effect;
- (f) this undertaking shall not absolve me from any obligations in terms of any other undertaking(s)/agreement(s) which I have entered/may enter into with the state. Periods of compulsory service resulting from and in terms of more than one undertaking/agreement, shall be served consecutively and in the order in which such undertaking(s)/agreement(s) were/are entered into. Should any such agreement(s)/undertaking(s) contain provisions to the contrary, they shall be regarded as amended accordingly ;
- (g) this undertaking may be amended only with the written approval of the Department; and
- (h) a certificate issued by the Department or such department to which I may be transferred shall serve as irrefutable evidence of the amount due by me to the department concerned in terms of this undertaking.

C. ANNEXURE F

5. I elect as my domicilium citandi et executandi and for the purposes of any notice or for the service of any legal process arising out of this undertaking, the following address in South-Africa :

.....
.....
....., South-Africa.

Signed at, this day of....., 19

.....
SIGNATURE OF THE OFFICER

WITNESSES :

(a)

(b)

(If the Officer is a minor this undertaking must be countersigned by his/her legal guardian.)

Assisted by me

.....
COUNTERSIGNED BY LEGAL GUARDIAN OF THE OFFICER

WITNESSES :

(a)

(b)

Full name of legal guardian :

.....

Relationship :

Address :

.....
.....
.....

C. ANNEXURE G

FULL-TIME POST-GRADUATE STUDY WITH RETENTION OF SALARY, FOR EXAMPLE B.Sc. (HONS.) (AGRIC), (NOT BY DIRECTION OF THE DEPARTMENT)

UNDERTAKING.

1. (a) Whereas I, the undersigned, (full name) (hereinafter called "the Officer"), born on 19....., an officer in the service of the State in the (name of department) (hereinafter called "the Department"), am desirous of taking on a full-time basis (name of course), with major subjects and minor subjects and field of study/research(hereinafter called "the Course"), which extends over a prescribed minimum period/prescribed minimum remaining period ofyear(s):
 - (b) And whereas I must for the aforementioned purpose attend classes in official hours of duty and/or undertake study/research, as the case may be, at an approved training institution as stipulated by the Department from time to time;
 - (c) And whereas the Department will allow me to attend such classes and/or to undertake such study/research in official hours of duty for the prescribed minimum duration/prescribed minimum remaining duration of the Course:
2. Therefore I undertake -
 - (a) to commence the Course with effect from the academic year, to take the Course full-time while I am in the service of the Department and to complete the Course successfully within the aforementioned period or within such extended period as may be approved in terms of clause 3(c)(ii);
 - (b) to furnish the Department with satisfactory proof of enrolment for the Course at the commencement of each year of study;
 - (c) to report for and resume my normal duties in the Department, at the centre specified by the Department from time to time, during the vacations when I am released from attendance at lectures, study/research and/or practical/theoretical training as may be prescribed by the said training institution, unless leave of absence is granted to me in respect of such period(s);
 - (d) to undergo such practical training as may be prescribed by the aforementioned training institution as part of the Course or may be required for purposes of registration in my particular profession in the Department, if the Department so desires;
 - (e) to furnish the Department with official proof of my examination results immediately after the results of any annual examination/supplementary examinations have been made known by the examination authority;
 - (f) to submit to the Department a research project, which shall serve as the subject of the dissertation/thesis, by not later than(mention date);
 - (g) to submit to the Department a written report from the said training institution in which the scope of my study as well as progress which I have made therewith as indicated, before (mention date);

C. ANNEXURE G

4

- (h) to report quarterly to the officer mentioned in clause 4(i) or his/her representative and to inform him/her as to the progress I have made with my study/research, if the Department so desires;
- (i) to submit to the Department a written report, together with a comprehensive summary thereof, on the results obtained and knowledge acquired from such study/research, if the Department at any time so desires;
- (j) to present to the Department free of charge two copies of the dissertation/thesis concerned, together with summaries in any official languages, within a period of two months after successful completion of the Course;
- (k) after I have complied with all the requirements of the Course immediately to continue to serve the Department or any such department to which I may be transferred, in any capacity for which the department concerned may consider me suitable, for a continuous period of one year for each individual year of study or part thereof in respect of which I was released from duty for the purpose of attending full-time classes and/or undertaking study/research for the completion of the Course, as the case may be (hereinafter called "the Contract Period"), in the post to which I was appointed or to which I may be transferred/promoted: Provided that after/if I have completed at least ten years fulltime uninterrupted service in the Public Service, no service shall be required of me in terms of this undertaking with effect from 1 January of the year subsequent to the year in which I completed the ten-year period of service; and
- (l) if I fail to comply with the conditions contained in clause 2(a) or (k), or if the Department withdraws in terms of clause 3(d) the privilege granted in terms of clause 1(c) or if I leave or am discharged from, the Public Service before successful completion of the Course or before expiry of the Contract Period, to repay immediately the following moneys in a lump sum to the department in which I am employed at the time of my non-compliance with such condition(s):
 - (i) (aa) The remuneration, including personal non-pensionable allowances and service bonus, received by me during each individual year of study or portion thereof during which I was exempted from duty in order to attend the Course, and
 - (bb) the expenditure on transport and/or storage of personal effects, which was incurred in terms of clause 3(a):

Provided that the amount so due shall be reduced in the same proportion as the number of calender months' full-time uninterrupted service rendered in terms of this undertaking bears to the Contract Period, and
 - (ii) Interest on the amount referred to in clause 2(l)(i) at the ruling rate of interest applicable from time to time to debts due to the State, as determined by or in terms of the relevant financial prescripts of the Department of State Expenditure, calculated from the date on which the obligation to pay arose as determined by clause 2(1) until date of payment.

3. I understand and accept that -

- (a) I shall be responsible for the payment of all expenses and fees attaching to the Course : Provided that the Department shall be responsible for the payment of transport expenses for myself and my household and personal effects on the basis and subject to the conditions approved by the Treasury on the recommendation of the Commission;

C. ANNEXURE G

6

- (b) the journeys to and from the place(s) to which I have to report in terms of clause 2(c) and (h), shall be regarded as official journeys:
Provided that no subsistence allowance shall be payable during the said journeys or during the periods of service at the said place or places:
- (c) the Department may at any time suspend the privilege granted in terms of clause 1(c) if the Department is, in its sole discretion of the opinion that I am not making satisfactory progress with the Course. If the Department so suspends such privilege -
- (i) I shall be obliged to repeat and complete successfully any subjects which I have outstanding and/or to continue my study/research until such time as I have, in the opinion of the Department, made satisfactory progress therewith, at my own expense and in my own time. If I do not immediately continue my studies/research, except where the Department has granted me postponement in writing I shall be deemed to have abandoned the Course, in which event clause 2(l) shall apply;
 - (ii) I shall be permitted to exceed the prescribed minimum duration/minimum remaining duration of the Course by a period as determined by the Department;
 - (iii) I shall continue to be subject to the provisions of this undertaking during such period of suspension, and
 - (iv) the Department may at any time thereafter reinstate the privilege granted in terms of clause 1(c) if the Department is in its sole discretion, of the opinion that I have made satisfactory progress with the Course;
- (d) the Department may at any time withdraw the privilege granted in terms of clause 1(c) if I have failed to comply with the said provisions of clause 2(b), (c), (d), (e), (f), (g), (h), (i) or (j) or if the Department is, in its sole discretion, of the opinion that I have not made satisfactory progress with the Course, that I did not attend lectures and/or practical classes regularly or that it is not in the interest of the State that the privilege continue to be granted. In such an event the provisions of clause 2(l) shall apply, and
- (e) notwithstanding anything mentioned in this undertaking, if the Department withdraws the privilege granted in terms of clause 1(c) or if I abandon the Course the Department may, in its sole discretion and on the conditions it may determine, permit me to fulfil by means of service in the Department or such department to which I may be transferred a service obligation in respect of one or more years of study which has/have been successfully completed, that is, years of study in respect of which I have no subjects outstanding which will cause me to exceed the prescribed minimum duration/prescribed minimum remaining duration of the course, as the case may be: Provided that where a thesis or dissertation has been laid down as the chief requirement for the Course, the Department may similarly allow me to redeem by service in the Public Service a service obligation in respect of one or more years of study, on condition that I am able to submit to the Department documentary evidence which indicates to its satisfaction that I have progressed satisfactorily with such thesis or dissertation during the year(s) of study concerned . . .

4. I accept further that -

- (a) as far as my absence due to leave from my normal duties during the Contract Period is concerned, only vacation leave on full pay (with the exception of vacation leave granted to me for purposes of study), sick leave on full pay or partly on pay and special sick leave which may be granted as a result of an injury on duty, shall count as service for completing the Contract Period;

- (b) periods of study during official hours of duty with retention of salary with the object of obtaining an entrance qualification, shall not count as service in fulfilment of a service obligation in terms of any agreement/undertaking which I have entered/may enter into with the State. Should any such agreement(s)/undertaking(s) contain provisions to the contrary, they shall be regarded as amended accordingly;
- (c) if I leave, or am discharged from, the Public Service, any moneys due to me by the State, including any pension moneys, may be withheld and set off against any moneys due to the State in terms of this undertaking;
- (d) irrespective of the amount involved in terms of this undertaking, any action which may arise from this undertaking may be instituted in a magistrate's court in South Africa which may otherwise have jurisdiction;
- (e) if my obligations in terms of this undertaking cannot be fulfilled owing to my death or if such obligation cannot, in the discretion of the Department or such department to which I may be transferred, be fulfilled owing to the fact that I have become incapacitated by any mental or physical disability, any liability for the refund of any moneys which may be due in terms of this undertaking shall lapse. This concession shall be applicable only where the provisions of clause 2(l) have not taken effect;
- (f) this undertaking shall not absolve me from any obligations in terms of any other undertaking(s)/agreement(s) which I have entered/may enter into with the State, including an Agricultural Control Board. Periods of compulsory service resulting from or in terms of more than one undertaking/agreement shall be served consecutively and in the order in which such undertaking(s)/agreement(s) were/are entered into. Should any such agreement(s)/undertaking(s) contain provisions to the contrary, they shall be regarded as amended accordingly;
- (g) this undertaking may be amended only with the written approval of the Department;
- (h) a certificate issued by the Department or such department to which I may be transferred shall serve as irrefutable evidence of the amount due by me to the department concerned in terms of this undertaking, and
- (i) during the period of study/research I shall for disciplinary purposes be under the control of (rank).

C. ANNEXURE G

5. I elect as my domicilium citandi et executandi and for the purposes of any notice or for the service of any legal process arising out of this undertaking, the following address in South Africa:

.....
.....
.....South Africa

Signed at this day of 19

.....
SIGNATURE OF THE OFFICER

WITNESSES :

(a)

(b)

(If the Officer is a minor, this undertaking must be countersigned by his/her legal guardian.)

Assisted by me,

.....
COUNTERSIGNED BY LEGAL GUARDIAN OF THE OFFICER

WITNESSES :

(a)

(b)

Full name of legal guardian :

.....

Relationship :

Address

.....
.....
.....
.....

BURSARY (STUDENT: FULL-TIME)

1. (a) Whereas I, the undersigned, (full name) (hereinafter called "the Student"), born on 19 am desirous of taking on a full-time basis (name of course) with major subjects and minor subjects (hereinafter called "the Course"), which extends over a prescribed minimum period/prescribed minimum remaining period of year(s);
 - (b) And whereas I must for the aforementioned purpose attend classes and/or undertake study/research, as the case may be, at an approved training institution as stipulated by the Department from time to time;
 - (c) And whereas the Department will annually grant me a bursary, as determined by the Department, for the prescribed minimum duration/prescribed minimum remaining duration of the Course;
 - (d) And whereas the Department will from State moneys on my behalf pay, within the limits of the bursary awarded for the prescribed minimum duration/prescribed minimum remaining duration of the Course where moneys are levied per subject for the prescribed necessary subject(s) the tuition, examination and registration fees that are levied by the training institution in respect of the course. The Head of the Department may, in his/her own discretion, pay for residential fee and study materials as prescribed by the training institution for the course as stated in clause 1(a) (recommended study material excluded).
2. Therefore I undertake -
 - (a) to commence the Course with effect from the academic year, to take the Course full-time, and to complete the course successfully within the aforementioned period or within such extended period as may be approved in terms of clause 3(b)(ii);
 - (b) to furnish the Department with satisfactory proof of enrolment for the Course at the commencement of each year of study;
 - (c) to undergo such practical training as may be prescribed by the aforementioned training institution as part of the Course or as may be required for purpose of registration in my particular profession, in a Department, if the Department so desires;
 - (d) to furnish the Department with official proof of my examination results immediately after the results of any annual/bi-annual examinations/supplementary examinations have been made known by the examining authority;
 - (e) if I obtained a bursary to take a degree course in medicine, clinical psychology or pharmacy, to serve my internship or traineeship after I have passed the final examination of the course, in an institution indicated by the Department if the Department so desires, and to complete it within the prescribed period;
 - (f) if I obtained a bursary to take a degree course in medicine, clinical psychology or pharmacy, within one calendar month after I have complied with all the requirements for registration as a medical practitioner, dentist, clinical psychologist or pharmacist, to register as such with the South African Medical and Dental Council or the South African Pharmacy Board whichever is appropriate, and within two calendar months after I have registered,

C. ANNEXURE H

4
OR

if I obtained a bursary to take another course, within a period of two calendar months after I have complied with all the requirements of the Course, to enter the Public Service, in any capacity for which the Department may consider me suitable, for a continuous period of one year for each individual year of study or part thereof in respect of which bursary moneys were paid to me and/or on my behalf (hereinafter called "the Contract Period") in the post/rank to which I may be appointed or to which I may be transferred/promoted. (If I render my military service after the completion of my studies, my service obligations in terms of this contract will be postponed until after the completion of the said military training).

- (g) to repay immediately the following moneys in a lump sum to the Department if I fail to comply with the provisions of clause 2(a), (e) or (f), or if at any time I renounce the bursary, or if the Department withdraws my bursary in terms of clause 3(b) or if the provisions of clause 3(a) apply or if I leave, or am discharged from, the Public Service before expiry of the Contract Period:
 - (i) The total amount of bursary moneys paid to me and/or on my behalf in terms of clause 1(d) of this undertaking: Provided that the amount so due shall be reduced in the same proportion as the number of calendar months' full-time uninterrupted service rendered in terms of this undertaking bears to the Contract Period, and
 - (ii) interest on the amount in clause 2(g) (i) at the ruling rate of interest applicable from time to time to debts due to the State, as determined by or in terms of the relevant financial prescripts of the Department of State Expenditure, calculated from the date on which the obligation to pay arose in terms of clause 2(g) to date of payment.

3. I the understand and accept that -

- (a) the State is under no obligation to employ me after I have complied with the requirements of clause 2(e) or (f) and, if for this reason I do not enter the Public Service I will immediately be liable for the repayment of my bursary debt in full in terms of clause 2(g)(i) and (ii).
- (b) the Department may at any time suspend the payment of my bursary moneys if the Department is, in its sole discretion, of the opinion that I am not making satisfactory progress with the Course. If the Department so suspends the payment of my bursary moneys -
 - (i) I shall be obliged to repeat and complete successfully at my own expense any subjects which I have outstanding. If I do not immediately continue my studies, except where the Department has granted me postponement in writing, I shall be deemed to have abandoned the Course in which event clause 2(g)(i and ii) shall apply;
 - (ii) I shall be permitted to exceed the prescribed minimum duration/minimum remaining duration of the Course by a period as determined by the Department;
 - (iii) I shall continue to be subject to the provision of this undertaking during such period of suspension, and
 - (iv) the Department may at any time thereafter continue the payment of my bursary moneys if the Department is, in its sole discretion, of the opinion that I have made satisfactory progress with the Course;
- (c) the Department may at any time withdraw my bursary if I have failed to comply with the provisions of clause 2(b), (c) or (d) or if the Department is, in its sole discretion, of the opinion that I have not made satisfactory progress with the Course, that I did not attend lectures and/or practical classes regularly or that it is not in the interest of the State that the bursary continue to be granted. In such an event the provisions of clause 2(g) (i and ii) shall apply, and

C. ANNEXURE H

6

- (d) I hereby renounce the provisions of the Prescription Act (Act 68 of 1969) and undertake, not to enter a plea of prescription in any action that may be instituted against me in terms of the undertaking.
4. I accept further that -
- (a) as far as my absence due to leave from my normal duties during the Contract Period is concerned, only vacation leave on full pay (with the exception of vacation leave granted to me for purposes of study), sick leave on full pay or partly on pay and special sick leave which may be granted as a result of an injury on duty, shall count as service for completing the Contract Period;
 - (b) periods of study during official hours of duty other than those undertaken on instruction by heads of departments, shall not count as service in fulfilment of a service obligation in terms of any agreement/undertaking which I have entered/may enter into with the State. Should any such agreement(s)/undertaking(s) contain provisions to the contrary, they shall be regarded as amended accordingly;
 - (c) if I leave, or am discharged from, the Public Service any moneys due to me by the State, including any pension moneys, may be withheld and set off against any moneys due to the State in terms of this undertaking;
 - (d) irrespective of the amount involved in terms of this undertaking, any action which may arise from this undertaking may be instituted in a magistrate's court in South Africa which may otherwise have jurisdiction;
 - (e) if my obligations in terms of this undertaking cannot be fulfilled owing to my death or if such obligations cannot, in the discretion of the Department, be fulfilled owing to the fact that I have become incapacitated by any mental or physical disability, any liability for the refund of any moneys which may be due in terms of this undertaking shall lapse. This concession shall be applicable only where the provisions of clause 2(g) have not taken effect;
 - (f) this undertaking shall not absolve me from any obligations in terms of any other undertaking(s)/agreement(s) which I have entered/may enter into with the State. Periods of compulsory service resulting from and in terms of more than one undertaking/agreement, shall be served consecutively and in the order in which such undertaking(s)/agreement(s) were/are entered into. Should any such agreement(s)/undertaking(s) contain provisions to the contrary, they shall be regarded as amended accordingly. Undertakings, regarding special leave for the purpose of initial compulsory military training, are excluded.
 - (g) this undertaking may be amended only with the written approval of the Department; and
 - (h) a certificate issued by the Department shall serve as irrefutable evidence of the amount due by me to the Department in terms of this undertaking.
5. I undertake to notify the Department of any change of address while owing any amount in terms of this undertaking and if I fail to do so, and if it becomes necessary for the Department to undertake any expense to trace me, to refund the Department for the said expense.
6. I further undertake to pay the State Attorney's client-and-attorney fees as well as his recovery costs if the case against me is referred to the state Attorney for recovery as a result of my failure to fulfil my obligations in terms of this undertaking.

C. ANNEXURE H

7. I elect as my domicilium citandi et exetandi and for the purposes of any notice or for of any legal process arising out of this undertaking, the following address in South Africa:

.....
.....
..... South-Africa

Signed at this day of 19

.....
SIGNATURE OF STUDENT

WITNESSES:

(a)

(b)

(If the student is a minor, this undertaking must be countersigned by his/her legal guardian.)

Assisted by me,

.....
COUNTERSIGNED BY LEGAL GUARDIAN OF STUDENT

WITNESSES:

(a).....

(b).....

Full name of legal guardian :

.....

Relationship :.....

Address

.....
.....
.....
.....

OFFICERS AND EMPLOYEES: PART-TIME STUDY

1. (a) Whereas I, the undersigned, (full name) (hereinafter called "the Officer/Employee"), born on..... 19, an officer/employee in the service of the State in the (name of department) (hereinafter called "the Department"), am desirous of taking on a part-time basis (name of course) with major subjects and minor subjects (hereinafter called "the Course"), which extends over a prescribed minimum period/prescribed minimum remaining period of year(s);
 - (b) and whereas I must for the aforementioned purpose attend classes and/or undertake study/research, as the case may be, at an approved training institution as stipulated by the Department from time to time;
 - (c) and whereas the Department will from State moneys on my behalf pay, within the limits of the bursary awarded for the prescribed minimum duration/prescribed minimum remaining duration of the Course where moneys are levied per subject for the prescribed necessary subject(s) the tuition, examination and registration fees that are levied by the training institution in respect of the course. The head of the Department may, in his/her own discretion, pay for study materials as prescribed by the training institution for the course as stated in clause 1 (a) (recommended study material excluded).
2. Therefore I undertake -
 - (a) to commence the Course with effect from the academic year, to take the Course part-time while I am in the service of the Department and to complete the Course successfully within the aforementioned period or within such extended period as may be approved in terms of clause 3 (a)(ii);
 - (b) to furnish the Department with satisfactory proof of enrolment for the Course at the commencement of each year of study;
 - (c) to furnish the Department with official proof of my examination results immediately after the results of any annual examinations/supplementary examinations have been made known by the examining authority;
 - (d) after I have complied with all the requirements of the Course, immediately to continue to serve the Department or such department to which I may be transferred, in any capacity for which the Department may consider me suitable, for a continuous period of one year for each individual year of study or part thereof in respect of which bursary moneys were paid to me and/or on my behalf (hereinafter called "the Contract Period") in the post/rank to which I was appointed or to which I may be transferred/promoted: Provided that-

C. ANNEXURE I

4

- (i) subject to the provisions of clause 4 (a) and (f), a service obligation in respect of a previous year of study which was completed successfully, in other words, a year of study in respect of which I have no subjects outstanding which will cause me to exceed the prescribed minimum duration/prescribed minimum remaining duration of the Course, as the case may be, may be fulfilled by means of full-time uninterrupted service in any subsequent year: Provided further that where a thesis or dissertation has been laid down as the chief requirement for the Course, a year of study will be regarded as having been completed successfully if I submit to the Department documentary evidence which indicates to its satisfaction that I have progressed satisfactorily with such thesis or dissertation during the year of study concerned. If I fail to fulfil the service obligation during such subsequent year, the service obligation may be reduced pro rata on the basis of each completed calendar month's fulltime uninterrupted service in the said subsequent year, and
 - (ii) after/if I have completed at least five years' full-time uninterrupted service in the Public Service, no service shall be required of me in terms of this undertaking with effect from 1 January of the year subsequent to the year in which I completed the five-year period of service;
- (e) to repay immediately the following moneys in a lump sum to the Department if I fail to comply with the provisions contained in clause 2(a) or (d), or if at any time I renounce the bursary, or if the Department withdraws my bursary in terms of clause 3(b), or if I leave, or am discharged from, the Public Service before successfully completing the Course or before expiry of the Contract Period:
- (i) The total amount of bursary moneys paid to me and/or on my behalf in terms of this undertaking-
 - (aa) where clause 2(d)(ii) is not applicable, in respect of which I have not yet redeemed the service obligation, as determined by clause 2(d), or
 - (bb) where clause 2(d)(ii) is applicable, in respect of which I have not completed a year/years of study successfully, that is to say, where I have not passed a sufficient number of subjects, which will result in my having to exceed the prescribed minimum duration/minimum remaining duration of the Course, as the case may be: Provided that where a thesis or dissertation has been laid down as the chief requirement for the Course a year/years of study is/are regarded as being unsuccessful if the Department is, on the basis of documentary evidence submitted to it, of the opinion that I have not progressed satisfactorily with such thesis or dissertation during the year(s) of study concerned.
 - (ii) interest on the amount in clause 2(e)(i) at the ruling rate of interest applicable from time to time to debts due to the State, as determined by or in terms of the relevant financial prescripts of the Department of State Expenditure, calculated from the date on which the obligation to pay arose in terms of clause 2(e)(i) to date of payment;

3. I understand and accept that-

- (a) the Department may at any time suspend the payment of my bursary moneys if the Department is, in its sole discretion, of the opinion that I am not making satisfactory progress with the Course. If the Department so suspends the payment of my bursary moneys -

C. ANNEXURE I

6

- (i) I shall be obliged to repeat and complete successfully at my own expense and in my own time any subjects which I have outstanding. If I do not immediately continue my studies, except where the Department has granted me postponement in writing, I shall be deemed to have abandoned the Course in which event clause 2(e) (i and ii) shall apply;
 - (ii) I shall be permitted to exceed the prescribed minimum duration/minimum remaining duration of the Course by a period as determined by the Department;
 - (iii) I shall continue to be subject to the provisions of this undertaking during such period of suspension, and
 - (iv) the Department may at any time thereafter continue the payment of my bursary moneys if the Department is, in its sole discretion, of the opinion that I have made satisfactory progress with the Course;
- (b) the Department may at any time withdraw my bursary if I have failed to comply with the provisions of clause 2(b) or (c) or if the Department is, in its sole discretion, of the opinion that I have not made satisfactory progress with the Course, that I did not attend lectures and/or practical classes regularly or that it is not in the interest of the State that the bursary continues to be granted. In such an event the provisions of clause 2 (e) (i and ii) shall apply; and
- (c) notwithstanding anything mentioned in this undertaking, if the Department withdraws my bursary or if I abandon the Course, the Department may, in its sole discretion and on the conditions it may determine, permit me to fulfil by means of service in the Public Service, a service obligation in respect of one or more years of study which has/have been successfully completed, that is, years of study in respect of which I have no subjects outstanding which will cause me to exceed the prescribed minimum duration/prescribed minimum remaining duration of the Course, as the case may be: Provided that where a thesis or dissertation has been laid down as the chief requirement for the Course, the Department may similarly allow me to redeem by service in the Public Service a service obligation in respect of one or more years of study, on condition that I am able to submit to the Department documentary evidence which indicates to its satisfaction that I have progressed satisfactorily with such thesis or dissertation during the year(s) of study concerned.
- (d) I hereby renounce the provisions of the Prescription Act (Act 68 of 1969) and undertake, not to enter a plea of prescription in any action that may be instituted against me in terms of the undertaking.
4. I accept further that-
- (a) as far as my absence due to leave from my normal duties during the Contract Period is concerned, only vacation leave on full pay (with the exception of vacation leave granted to me for purposes of study), sick leave with full pay or partly on pay and special sick leave which may be granted as a result of an injury on duty, shall count as service for completing the Contract Period;

C. ANNEXURE I

8

- (b) periods of study during official hours of duty other than those undertaken on instruction by heads of departments, shall not count as service in fulfilment of a service obligation in terms of any agreement/undertaking which I have entered/may enter into with the State. Should any such agreement(s)/undertaking(s) contain provisions to the contrary, they shall be regarded as amended accordingly;
- (c) if I leave, or am discharged from, the Public Service any moneys due to me by the State, including any pension moneys, may be withheld and set off against any moneys due to the State in terms of this undertaking;
- (d) irrespective of the amount involved in terms of this undertaking, any action which may arise from this undertaking may be instituted in a magistrate's court in South Africa which may otherwise have jurisdiction;
- (e) if my obligations in terms of this undertaking cannot be fulfilled owing to my death or if such obligations cannot, in the discretion of the Department, be fulfilled owing to the fact that I have become incapacitated by any mental or physical disability, any liability for the refund of any moneys which may be due in terms of this undertaking shall lapse. This concession shall be applicable only where the provisions of clause 2(e)(i and ii) have not taken effect;
- (f) this undertaking shall not absolve me from any obligations in terms of any other undertaking(s)/ agreement(s) which I have entered/may enter into with the State. Periods of compulsory service resulting from and in terms of more than one undertaking/agreement, shall be served consecutively and in the order in which such undertaking(s)/agreement(s) were/are entered into. Undertakings, regarding special leave for the purpose of initial compulsory military training, are excluded. Should any such agreement(s)/undertaking(s) contain provisions to the contrary, they shall be regarded as amended accordingly: Provided that - if I am/was exempted from my official duties to attend classes in order to obtain one and the same qualification as that for which the bursary was granted to me, the service obligations resulting from such undertaking(s)/agreements(s) may be fulfilled simultaneously, notwithstanding any other condition mentioned herein;
- (g) this undertaking may be amended only with the written approval of the Department, and
- (h) a certificate issued by the Department shall serve as irrefutable evidence of the amount due by me to the Department in terms of this undertaking.

C. ANNEXURE I

5. I elect as my domicilium citandi et executandi and for the purposes of any notice or for the service of any legal process arising out of this undertaking, the following address in South Africa:

.....
.....
.....South Africa.

Signed at, this day of 19

.....
Signature of the Officer/Employee

WITNESSES:

(a)

(b)

(If the Officer/Employee is a minor, this undertaking must be countersigned by his/her legal guardian.)

Assisted by me,

.....
COUNTERSIGNED BY LEGAL GUARDIAN OF THE OFFICER/EMPLOYEE

WITNESSES:

(a)

(b)

Full name of legal guardian

Relationship:

Address

.....
.....
.....
.....

ANNEXURE D
(SEE PART III/J/9)

AGREEMENT
ENTERED INTO BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA (hereinafter called the Employer) represented by _____ in his/her capacity as _____ of the one part, and _____ (hereinafter called the Employee) of the other part. _____

1. The Employer hereby undertakes to engage the Employee and the Employee hereby agrees to serve the Employer for a period of _____ years reckoned from the date on which the Employee actually assumes duty at the place in the Republic of South Africa mentioned in clause 2 hereof, on the following terms and conditions.
2. The Employee shall serve the Employer as _____ at such place as may from time to time be directed by the Employer or any other officer duly authorised thereto in this respect.
3. (a) The Employer shall pay the Employee as from the date of assumption of duty as stated in clause 1, a salary, in Republic of South Africa currency, at the rate of R _____ per annum, payable in equal monthly instalments on the fifteenth day of each month and should the fifteenth fall on a Saturday, Sunday or public holiday on the following working day.

(b) The Employer shall annually grant the Employee an increment on the salary scale R _____ subject to the provisions of the Public Service Regulations and instructions in force at the time.
4. When required to perform duties away from his/her headquarters, the Employee shall travel at the Employer's expense and shall be paid subsistence allowance in accordance with the Public Service Regulations and instructions in force at the time.
5. (a) The Employee shall, subject to the exigencies of the Public Service and during the currency of this Agreement, be granted leave of absence in accordance with the Public Service Regulations and instructions relating to leave in force at the time.

- (b) In the event of any extension of the original currency of this Agreement or on permanent appointment, the extended period or period of permanent service shall, for leave purposes, be regarded as continuous with the original period of service or an extension thereof.

6. The Employee -

- (a) may become a member of a medical scheme with effect from the date of appointment; and
- (b) shall become a member of the Government Service Pension Fund in accordance with the provisions of the Government Service Pension Fund Act, 1979, and the regulations promulgated thereunder.
- (c) may contribute to the Unemployment Insurance Fund in accordance with the provisions of the Unemployment Insurance Act, 1966.

7. (a) The Employee shall faithfully and diligently devote the whole of his/her time to the service of the Employer and shall undertake such duties as the Employer or any officer duly authorised thereto in this respect shall require of him/her and he/she shall comply with the rules and orders governing the particular office, post or institution, at or in which such Employee may be stationed or employed.

- (b) The Employee shall not, without the express prior written consent of the permanent head of the department under which the Employee's office falls, perform or undertake to perform remunerative work outside the Employer's service, whether within or outside official working hours.

- (c) The Employee shall at such intervals as the Employer may direct, report fully on the results obtained and knowledge acquired by him/her in any research work done by him/her, both during and outside official working hours.

- (d) The Employee further undertakes not to communicate to any person outside the Employer's service or to publish either during the currency of this Agreement or after the termination thereof, any results so obtained by him/her, in the course of his/her official duties, without the written consent of the Employer to such communication or publication.

In the event of a breach of the provisions of subsection (c) and/or (d) of this clause the Employee shall pay the Employer R200 (two hundred rand) as liquidated damages.

8. The Employee undertakes to acquire, within a reasonable period, to the satisfaction of the Employer a knowledge of an official language if, in the opinion of the head of the department under which the Employee's office falls, the duties attaching to the post filled by the Employee render such knowledge necessary.
9.
 - (a) Notwithstanding anything to the contrary in clause 1 hereof contained, either party to this Agreement may terminate it at any time during the currency thereof on giving three months' notice in writing to the other party. The Employer may however accept a shorter period of notice in an exceptional case, using his/her own discretion.
 - (b) The Employer may terminate this Agreement summarily or after notice of less than three months as he/she may deem expedient, in the event of a breach of the terms of this Agreement by the Employee or in the event of the Employee's misconduct, including misconduct as defined in section 20 of the Public Service Act, 1994, (which section shall for the purpose of this Agreement be deemed to be incorporated herein and to form part hereof): Provided that it shall be competent for the Employer before exercising his/her rights under this clause to suspend the Employee from his/her office, salary and allowances (if any) for the purpose of making enquiry into any such breach of contract or misconduct and nothing herein contained shall debar the Employer, after such enquiry, from declaring this Agreement terminated as from the date of such suspension.
 - (c) The Employee may terminate the Agreement on such shorter notice as circumstances may render necessary on satisfying the Employer that such termination is imperative on account of the Employee's ill-health occasioned without the Employee's default.
10. This Agreement is subject to the production by the Employee of certificates of his/her highest academic and professional qualifications and a satisfactory certificate of birth and a satisfactory health questionnaire or medical report.
11. Before or upon completion of the period of service mentioned in clause 1 of this Agreement, the Employer undertakes to consider the Employee for employment in terms of this Agreement for a further specified period or for permanent appointment provided the Employer is satisfied -
 - (a) that the Employee's service and conduct during the currency of this Agreement were satisfactory;
 - (b) for the purpose of further employment in terms of this Agreement, that the Employee possesses a satisfactory knowledge of an official language;

- (c) for the purposes of permanent appointment, that the Employee has acquired South African citizenship, possesses a satisfactory knowledge of an official language and has not reached the age of 65 years; and
 - (d) that the Employee's state of health is such as will enable him/her to continue to discharge efficiently all the duties attaching to the post in which he/she is or will be employed.
12. Neither the said _____ nor his/her representative shall in any way be personally liable for any claims or other matters arising from this Agreement.
 13. Any matters arising from this Agreement, which are not specifically provided for herein, shall be dealt with in accordance with the provisions of the *Public Service Act, 1994*, as amended, and the aforesaid Public Service Regulations, as amended.
 14. The interpretation of this Agreement shall be governed by the laws of and legal principles applied in the Republic of South Africa.
 15. The Employee submits to the jurisdiction of the Courts of the Republic of South Africa in the event of any legal proceedings arising from the provisions of this Agreement.
 16. THUS DONE AND PASSED by the parties hereto at the places and on the dates respectively set opposite their names.

SIGNED on behalf of the Employer at _____ this _____ day of _____ 19 __.

ON BEHALF OF THE EMPLOYER

AS WITNESS:

Signature: _____

Address: _____

Occupation: _____

SIGNED BY the Employee at _____ this _____ day of
_____ 19 __.

EMPLOYEE

AS WITNESS:

Signature:

Address:

Occupation:

