

PD-ABP-327
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USAID/BOTSWANA CLOSE-OUT PLAN

JUNE 1995

I. INTRODUCTION

In November 1993 the Government of Botswana (GOB) was formally advised that USAID/Botswana would close by September 30, 1995. In accordance with instructions, USAID/Botswana prepared and submitted a Policy/Program Close-out Plan to USAID/Washington on February 7, 1994. An Action Memorandum setting forth the decisions taken by AA/M, after reviewing the Plan, was signed on June 21, 1994 and formally transmitted to USAID/Botswana by cable on August 16, 1994 (Attachment A).

In January 1994, during a visit to Botswana, USAID Administrator Atwood formally announced the Initiative for Southern Africa (ISA). In October 1994, Administrator Atwood made the decision to locate the Regional Center for Southern Africa (RCSA) in Gaborone. The RCSA will have responsibility for implementing the ISA. At the time the GOB was advised of the location of the RCSA, it was also advised of the program decisions taken by AA/M.

While GOB officials were pleased to learn that the RCSA would be located in Gaborone, they were unhappy to learn that the program decisions taken by AA/M called for the early termination of two bilateral projects, the Basic Education Consolidation Project (BEC) and the Botswana Private Enterprise Development (BPED) Project. (The original Policy/Program Close-out Plan, as submitted by USAID/Botswana, had proposed continuation of these two projects.) The GOB was particularly concerned by the early termination of the BPED Project because of the potentially serious effects this would have on: i) the sustainability of the Botswana Confederation of Commerce, Industry and Manpower (BOCCIM), a key organization in the increasingly effective policy dialogue process that is evolving between the private and public sectors; and ii) the institutionalization of the mechanisms that have been established to facilitate dialogue and follow up on policy initiatives. This concern was expressed directly to Administrator Atwood by the then Minister of Commerce and Industry, P. Kedikilwe.

At the request of the Administrator, the Mission put forth a conceptual plan for redesigning (streamlining) BPED to focus specifically on the sustainability of BOCCIM and the private/public sector policy dialogue process and mechanisms. The plan entailed allowing the project to continue until September 30, 1996, six months short of the approved PACD and one year beyond the closing of the bilateral Mission. In an Action Memorandum dated November 14, 1994 (Attachment B), Administrator Atwood approved the continuation of a redesigned BPED.

This document is actually a "Mission Close-out/Transition Plan" since it addresses both the closing of the bilateral Mission as well as the transfer of physical assets, personnel and management of selected continuing elements of the Mission's current bilateral program to the RCSA, in accordance with the above-mentioned decisions made by AA/M and the Administrator.

The Mission's program falls into three broad categories:
i) bilateral projects which will continue beyond the closing of the Mission, in accordance with the decisions of the Close-out Coordinator (AA/M) and the USAID Administrator;
ii) regionally funded projects implemented by the bilateral Mission which will be continuing after the Mission closes; and
iii) projects which will terminate when the Mission closes, including projects reaching their PACD's by that time and the one project which will be terminated (BEC). Section II of this paper describes the impact on projects as a result of the closing of the bilateral Mission and the transfer of program management to the RCSA and any special changes which must be implemented to effect the transition. For more detailed information on the current status of the projects discussed below, see Attachment F which consists of recently completed Project Implementation Review Reports.

It is important to note that in dealing with the projects in Section II, we are focusing only on project implementation and project management issues. Sections IV and V deal with such administrative matters as logistic support for contractors, grantees and PSCs, commodity procurement, etc., and financial management responsibilities.

II. PROGRAMMATIC TRANSITION

A. Continuing Bilateral Projects

1. U.S. Embassy managed projects

The Ambassador's Self Help Fund and the Democracy and Governance (116 E) projects are positive, high profile activities that will continue beyond the closure of the bilateral Mission. Given the continued physical presence of USAID in Botswana, budget allowances for both of these projects can continue to be provided under the auspices of the new RCSA. Identification and selection of individual activities will continue to be the responsibility of the U.S. Embassy staff, and the RCSA involvement will primarily be to provide financial and accounting services in support of these projects. (The continuation of these activities was approved by AA/M on June 21, 1994.) USAID/W should be cognizant of the need to continue to provide these resources once the bilateral Mission closes, and the mechanics of how this should work need to be worked out, not only for Botswana but for the other close-out countries in the region as well.

2. USAID managed projects

USAID is currently implementing three major bilateral projects. Of these three, two have been approved to continue beyond the closing of the Mission. The Botswana Population Sector Assistance Project (BOTSPA), with a PACD of September 30, 1996, will continue unchanged. The BPED Project will be streamlined to narrow its focus, and will continue to a PACD of September 30, 1996. A brief description of these two

projects is set forth below. A more detailed description of the proposed revision to BPED is contained in Attachment C. The third major bilateral project implemented by USAID/Botswana, the BEC Project, will be terminated September 30, 1995, as described in Attachment D.

a. Botswana Private Enterprise Development Project (BPED)

1) Basic Data

Project Number	633-0253
Original PACD	March 31, 1997
Revised PACD	September 30, 1996
Financial Status	
Original LOP Funding Level	\$16,300,000
Revised LOP Funding Level	\$13,146,000
Cumulative Obligations thru FY 1994	\$11,498,000
FY 1995 Obligation	\$ 1,648,000
Contractors and Grantees:	
Deloitte Touche Tohmatsu ILA Group Ltd. (D&T)	
BOCCIM	
Botswana Development Corporation (BDC)	
International Executive Service Corps (IESC)	

2) Project Description

The BPED Project improves the enabling environment for sustained private sector development in Botswana by:

- i) increasing the effectiveness of policy dialogue between the private and public sectors on issues affecting private sector expansion;
- ii) broadening economic opportunities for citizen entrepreneurs;
- and iii) increasing domestic and foreign private investment in non-mineral sectors of the economy.

3) Impact of Bilateral Mission Closing

In accordance with Attachment B, the BPED Project will be streamlined to focus on ensuring: i) the sustainability of the private/public sector policy dialogue process, and ii) the sustainability of BOCCIM as the spokes-organization for the private sector. Because BOCCIM's credibility as the voice of the private sector depends on its ability to retain small and medium enterprises as members, BPED will continue to strengthen BOCCIM's capacity to provide services to citizen entrepreneurs. The project will no longer focus directly on increasing domestic and foreign private investment after September 1995, but efforts to improve the enabling environment through policy dialogue will ultimately lead to increased investment and employment in non-mineral sectors of the economy.

A BPED Redesign Plan has been developed in collaboration with the BPED implementing entities and forms the basis for the Project Paper Supplement, which is currently under review by the Regional Legal Advisor. Once the Project Paper Supplement has been formally approved by the Mission Director, the Project Grant Agreement, subsidiary grant agreements and institutional contract will be amended. The redesign will shorten the life of the project by six months and reduce life-of-project funding by approximately \$3.2 million.

In order to ensure that sufficient financial resources are available to achieve the above high-priority objectives, the following components of the BPED project will be scaled back or phased out by September 1995:

- i) Long-term international training will be discontinued once the one remaining participant currently overseas has completed her Masters program. A USAID/W directive that all long-term training be completed prior to Mission closure resulted in a decision not to utilize the remaining six BPED long-term training slots. Although, subsequently, the Mission received authority to extend long-term training programs beyond Mission closure for continuing projects, it was no longer feasible to identify candidates who were likely to complete their programs by the revised PACD.
- ii) Regional training under BPED was intended to improve management, administrative and trade skills of citizen entrepreneurs when training was not available at an acceptable standard and appropriate level in Botswana. Although a number of private sector employees have benefitted from regional training programs, this component of the project has been eliminated in order to focus resources on strengthening the capacity of the implementing entities to conduct policy analysis, engage in policy dialogue, or provide services to citizen entrepreneurs.
- iii) Direct assistance to BDC will end after September 30, 1995. The long-term Management Assistance Advisor's contract ended in January 1995, and his contract was not renewed. His counterpart and her staff have developed the capacity to provide management assistance to BDC portfolio companies with minimal support. Between now and September 30, 1995, assistance will be limited to short-term consultancies and training to further strengthen the capacity of the Industrial Division to monitor the performance of BDC portfolio companies.
- iv) Currently approved and ongoing investment promotion activities will be completed, but new activities will only be approved if they contribute to strengthening BDC's internal capacity to promote investment. The long-term Special Projects Advisor has been assisting BDC to further develop its investment promotion and marketing capacity and will continue to do so until his contract ends in August 1995. In addition, he will continue to play an important advisory role with respect to a number of special projects which are already underway or planned for Fiscal Year 1995.

- v) PD-20, which prohibits the use of appropriated funds for a number of activities related to investment promotion, limited the scope of what could be approved under BPED. Proposals under the business linkage line item, including investment promotion missions to the U.S. and media advertising in the U.S. aimed at investment promotion, had to be scrutinized carefully to ensure that they were not prohibited under PD-20. Because business linkage activities had to be so altered to comply with PD-20, they were generally ineffective in attracting potential investors. Therefore, feasibility and expansion studies, business linkage activities, and on-site pre-production training are being phased out.
- vi) Resources from the BPED project have contributed significantly to MCI's capacity to conduct serious policy analysis and engage in dialogue with the private sector. As a result, the former MCI Policy Advisor was not replaced with another long-term advisor upon his completion of service in December 1994. However, MCI still needs strengthening in the area of policy implementation, and BPED may continue to provide technical assistance to MCI on an intermittent basis in FY 1995 to assist with specific policy design and implementation issues. Alternatively, MCI may approach other donors to provide a long-term Policy Advisor, although there has been no indication of such action to date.
- vii) The BOCCIM Training Officer, who has benefitted from several years of USAID assistance, requires only minimal support from an advisor, and the part-time Training Advisor's services are being phased out gradually. However, the Training Department may continue to require short-term technical support in specific areas in order to become financially self-supporting by September 1996.
- viii) Although the long-term BOCCIM Business Management Advisor will complete his contract in August 1995, BOCCIM will continue to require short-term technical assistance to develop cost-effective delivery programs for the small business sector.

Although the direct impact of BPED on investment and employment in the economy will diminish, as a result of the above changes, the longer run impact will be far greater through strengthening the enabling environment via support to BOCCIM and the policy dialogue process.

4) Project Management

The institutional contract with D&T will not be extended beyond the end of FY 1995. In keeping with the goal of promoting BOCCIM's sustainability, the BOCCIM Cooperative Agreement will be amended to enhance BOCCIM's project implementation responsibilities. This will include provisions and funding which will permit BOCCIM to contract directly for continued long- and short-term technical assistance under the project.

With the project redesigned to narrow its focus, the management burden on the RCSA will be minimized. The three institutions receiving assistance will be reduced to one. The three grants and one contract through which the project is now implemented will be reduced to one Cooperative Agreement. The BPED mid-term evaluation and the annual financial and compliance audits verify BOCCIM's ability to manage donor funds. The primary project implementation mechanism, the Project Implementation Committee (PIC), is well established and functioning smoothly.

USAID management responsibilities will be implemented by a USPSC Project Manager who will remain on-board until the project terminates in September 1996. The Project Manager is under the supervision of the bilateral Mission's General Development Officer. Upon the departure of this officer in June 1995, the Project Manager will report directly to the bilateral Mission Director until September 30, 1995 when the RCSA will assume management responsibility. Prior to September 30, 1995 the RCSA will assign management responsibility to one of its staff members to allow for a smooth transition. This will be worked out with the RCSA.

5) Close-out Actions

<u>Activity</u>	<u>Planned Date</u>
• Contract Modification (D&T)	June 1995
• PP Supplement	June 1995
• ProAg Amendment	June 1995
• PIL to reprogram local currency funds from BDC Grant Agreement	June 1995
• Cooperative Agreement Amendment (BOCCIM)	July 1995
• Deloitte and Touche final report	November 1995
• Construction sector policy impact analysis	March 1996
• Financial sector policy impact analysis	May 1996
• Disposal/transfer of project commodities	September 1996
• Final report (BOCCIM)	August 1996
• Final evaluation	August 1996
• Project Assistance Completion Report	September 1996
• 1996 Financial and Compliance Audit (BOCCIM)	September 1996

b. Botswana Population Sector Assistance Project (BOTSPA)

1) Basic Data

Project Number	633-0249
Original PACD	
Revised PACD	September 30, 1996
Financial Status	
Original LOP Funding Level	\$5,420,000
Revised LOP Funding Level	\$5,420,000
Cumulative Obligations thru FY 1994	\$4,420,000
FY 1995 Obligation	\$1,000,000
Contractors and Grantees:	
Cambridge Consulting Corporation	
Population Services International	
Population Council	

2) Project Description

The Botswana Population Sector Assistance Project (BOTSPA) was redesigned in September 1992 to extend project benefits to the district and local levels, and to incorporate AIDS prevention activities. The purpose of the project is to improve the quality and availability of family planning (FP) and sexually transmitted disease (STD) services, and to expand AIDS prevention measures. The project supports primarily training and technical assistance.

BOTSPA contains three main components. The first is designed to improve the quality of FP/STD services through the establishment of an in-service training program for GOB service providers and their managers. These are also activities which provide educational materials and strengthen and decentralize the management information system for family planning services. Design of the training program will facilitate the integration of FP and STD services. Second, a condom social marketing program, being implemented by the Population Services International (PSI), is working through the private sector to improve the demand for, and availability of, condoms. Finally, an activity will be undertaken to strengthen the capacity of the local NGO community to design and implement reproductive health communication programs, with particular focus on AIDS education.

In an effort to ensure the sustainability of the condom social marketing program, USAID and PSI have initiated discussions with the Government of Botswana to assume funding for the Botswana Social Marketing Program (BSMP), and to develop strategies for localization. PSI has already articulated the specific steps it is taking to strengthen the capabilities of local staff. The Permanent Secretary of the Ministry of Health (MOH) has requested PSI to work with his staff to finalize the proposal. PSI's Cooperative Agreement to implement BSMP is scheduled to end October 31, 1995. The Planning Officers of the MOH and the Ministry of Finance and Development Planning (MFDP) appear confident that if PSI's proposal is approved, GOB funding, under its development budget, might be available as early as September, 1995. They

have further indicated that as of 1998, the activity will then have to be funded under the GOB's recurrent budget. (The next National Development Plan begins in 1998.)

In addition to activities funded under the BOTSPA Project, the Population Council under its centrally-funded OR/TA Project, will conduct operational research on the impact of improving the quality of family planning service delivery. The primary purpose of the research is to develop widely applicable findings, which will directly benefit BOTSPA by developing project impact information. The research will be conducted periodically by short-term consultants, locally hired staff and GOB personnel. This was approved by AA/M on June 21, 1994.

3) Impact of Mission Closing

The closing of the Mission will have little impact on the project. It will continue to its scheduled completion date of September 30, 1996. It is fully funded. It is already designed in a manner which minimizes the burden of project management. Implementation responsibility has been completely allocated to one grantee (PSI), and two contractors (Cambridge Consulting Corporation and Population Council) under the supervision of a USPSC Project Manager. Coordination mechanisms, such as joint GOB/USAID Activity Management Committees and the Project Reference Group, are in place and functioning well. Remaining procurement which is the responsibility of USAID, will be completed by June 1995. The centrally-funded Population Council operations research activity will require minimal support which can easily be provided by the USPSC Project Manager.

4) Project Management

USAID management responsibilities will be implemented by a USPSC Project Manager who will remain on-board until the project terminates in September 1996. The Project Manager is under the supervision of the bilateral Mission's General Development Officer. Upon the departure of this officer in June 1995, the Project Manager will report directly to the bilateral Mission Director until September 30, 1995 when the RCSA will assume management responsibility. Prior to September 30, 1995 the RCSA will assign management responsibility to one of its staff members to allow for a smooth transition. This will be worked out with the RCSA.

5) Close-out Actions

<u>Activity</u>	<u>Planned Date</u>
• Contract Amendment (CCC)	July 1995
• Buy-In Execution (PopCouncil)	July 1995
• Project Completion Plan (per PIR)	July 1995
• Project Evaluation	March-May 1996
• Completion Report (CCC and PSI)	November 1996
• Disposal/transfer of project commodities	September 1996
• Project Assistance Completion Report	September 1996

B. Regional Projects

USAID implements the following three regional projects funded under SARP. One is the bilateral component of a major regional natural resources management project and the other two are regional agricultural research activities. All three fall within the scope of, and are critical to, the Natural Resources Management and Agricultural Research Strategic Objective of the ISA. USDH supervision is currently provided by the bilateral Mission's Agriculture/Natural Resources Development Officer (ANRDO). The staffing pattern of the RCSA includes an Agricultural and Natural Resources Development Officer (ANRDO) who will be responsible for ISA NRM and Agriculture Research activities. The assignment of the bilateral ANRDO to the regional position ensures a continuing and smooth transition of the Botswana component of NRMP to regional management.

a. Natural Resources Management Project (NRMP)

1) Basic Data

Project Number	690-0251.33
PACD	August 31, 1997
Financial Status	
Original LOP Funding Level	\$19,900,000
Revised LOP Funding Level	\$19,900,000
Cumulative Obligations thru FY 1994	\$19,900,000
FY 1995 Obligation	\$ 0
Contractors and Grantees:	
Chemonics	
US NGO - Private Agencies Collaborating Together (PACT)	

2) Project Description

This \$48.83 million Southern African Development Community (SADC) Regional Natural Resource Management Program (NRMP) was designed to facilitate regional cooperation through bilateral activities in Zambia, Zimbabwe, Namibia and Botswana as well as a regional coordination unit located in Malawi. This program will assist community based wildlife utilization projects that promote the conservation and sustainability of the local natural resource base, as well as provide economic or nutritional enhancement to rural inhabitants. The Botswana component (\$19.9 million) has two purposes: 1) to demonstrate, through practical examples, the technical, social, economic and ecological viability and replicability of community based natural resource management and utilization programs on marginal lands for increasing household and community incomes while sustaining natural resources; and 2) to improve national and local capabilities to ensure the support for and maintenance of community based natural resource management through training, education, protection, communication and technology transfer. The key GOB implementing agency is the Department of Wildlife and National Parks (DWNP).

3) Impact of Mission Closing

NRMP will continue unchanged in terms of its goal, purpose, and time frame and it is fully funded. Major adjustments in implementation methods have been made to reduce USAID's management responsibilities. As originally designed, NRMP assigned implementation responsibility for several project components and activities to the bilateral Mission. As the Mission has declined in staff size, these responsibilities are being transferred to the prime contractor and an international NGO, PACT. This process will be completed during FY 1995, leaving the Mission and, subsequently, the RCSA with responsibility only for the supervision of the prime contractor and the NGO.

4) Project Management

USAID management responsibilities will be implemented by a USPSC Project Manager who will remain on-board until the project terminates in August 1997. The Project Manager is under the supervision of the bilateral Mission's Agriculture/Natural Resources Development Officer. This position will be deleted when responsibility for regional agriculture and natural resources activities is transferred to the RCSA on September 30, 1995. The RCSA will determine which of its officers will be given responsibility for supervising the USPSC project manager, although it is assumed it will be the ANRDO, who will transfer from the bilateral Mission to the Regional Center.

5) Close-out Actions

This is a continuing regional project whose PACD is August 31, 1997.

b. Regional Agricultural Research Coordination Project (SACCAR) Phase II)

1) Basic Data

Project Number	690-0225
PACD	April 1, 1997
Financial Status	
Original LOP Funding Level	\$3,605,000
Revised LOP Funding Level	\$3,605,000
Cumulative Obligations thru FY 1994	\$3,605,000
FY 1995 Obligation	\$ 0
Contractors and Grantees:	
Southern African Center for Cooperation in Agricultural Research (SACCAR)	

2) Project Description

The project seeks to develop SACCAR as the focal point to facilitate cooperation and coordination in agricultural and natural resource research and training efforts among the eleven SADC Member States. This \$3.6 million dollar SARP Grant

program started in 1984 and USAID assistance is scheduled to terminate in April of 1997. SACCAR is the regional coordination unit for agriculture and natural resources research and training programs for SADC and is located in Gaborone, Botswana. SACCAR has the mandate to guide, coordinate and monitor all SADC research programs in the agricultural and natural resource sectors. SACCAR coordinates sixteen (16) regional programs now being developed or implemented and provides guidance and leadership to the various working groups and operational research networks in the agriculture and natural resources sectors. These programs cover the eleven (11) SADC countries, including the Republic of South Africa which was recently integrated into its program of work.

3) Impact of Mission Closing

The project will continue to completion with no changes in project purpose or duration. There will be one management change be in the implementation methodology. USAID retained a portion of the project's funds and assumed direct responsibility for implementing certain activities. The largest portion of these funds were used to provide the services of an Impact Evaluation Advisor to SACCAR under a non-personal services contract. The balance of funds retained by USAID for this purpose have been turned over to SACCAR, by amending the Grant Agreement, to permit SACCAR to contract directly for the services of the Advisor. SACCAR's expatriate payroll is nearly half a million dollars a year and they clearly have administrative and fiscal capabilities to manage this additional contract. All other funds retained by USAID (except for evaluations, per Section II below) will be expended by the end of FY 1995.

4) Project Management

USAID management responsibilities are implemented by the bilateral Mission's Agriculture/Natural Resources Development Officer. The Project can be transferred to the RCSA when its USDH Agricultural Development Officer arrives at Post. The management burden on the Mission has been declining as SACCAR's institutional capabilities have grown and should be minimal during the final year of the project.

5) Close-out Actions

This is a continuing regional project whose PACD is April 1, 1997.

c. Southern Africa Agricultural Research Management Training Project (SAARMT) Phase II

1) Basic Data

Project Number	690-0269.33
Current PACD	July 31, 1995
Revised PACD	July 31, 1996
Financial Status	
Original LOP Funding Level	\$1,500,000
Revised LOP Funding Level	\$1,500,000
Cumulative Obligations thru FY 1994	\$1,500,000
FY 1995 Obligations	\$ 0
Contractors and Grantees:	
International Service for National Agricultural Research (ISNAR)	
East and Southern Africa Management Institute (ESAMI)	

2) Project Description

Phase II of the Project has a double purpose: (1) to continue to strengthen the capacity of agriculture research managers to organize and manage research activities which address food problems; and (2) to institutionalize agriculture research management training within the region. This project, one of sixteen regional programs being developed or coordinated by SACCAR, provides training services and technical assistance to the eleven SADC Member States. The collaborating agency, East and Southern Africa Management Institute (ESAMI), headquartered in Arusha, Tanzania also has country offices in most of the Member States' capital cities. The Project's training capacity is being institutionalized at ESAMI with the assistance of the International Service for National Agricultural Research (ISNAR) and two Management Development Institutes in the region.

There was a request from SACCAR to provide a no-cost one year PACD extension to this program, the Grant has been amended. An extra year of project-funded assistance and activities will assure that ESAMI's capacity to provide agricultural research management training is solidly in place. More importantly, adequate time will be allowed to assure financial sustainability through market development.

3) Impact of Mission Closing

The project will continue to completion with no changes in project purpose and objectives.

4) Project Management

USAID management responsibilities are implemented by the bilateral Mission's Agriculture/Natural Resources Development Officer. The Project can be transferred to the RCSA when the bilateral USDH Agricultural Development Officer transfers to the RCSA. The management burden imposed on the Mission by the project is relatively light because of the effectiveness of ISNAR and will diminish further with the developing capability of ESAMI.

5) Close-out Actions

This is a continuing regional project whose PACD is July 31, 1996.

C. Projects Terminating By The End of FY 1995

Set forth below is a list of projects currently managed by the bilateral Mission which will terminate on or prior to the closure of the bilateral Mission on September 30, 1995. With one exception, the Basic Education Consolidation Project (BEC), these projects are terminating as originally planned and require no special adjustments or actions other than those usually associated with the completion of USAID-funded activities. Therefore, detailed information is only provided for the BEC Project (see Attachment D) and a listing of the projects and pertinent basic data on the others. It should be noted that only BEC has contract personnel still in country. The other projects either have had no resident personnel in-country or such personnel have already departed Botswana.

a. Basic Education Consolidation Project (BEC)

1) Basic Data

Project Number	633-0253
Original PACD	March 30, 1997
Revised PACD	September 30, 1995
Financial Status	
Original LOP Funding Level	\$12,600,000
Revised LOP Funding Level	\$6,950,000
Cumulative Obligations thru FY 1994	\$6,950,000
FY 1995 Obligation	\$ 0
Contractors and Grantees:	
Academy for Educational Development (AED)	

2) Project Description

The purpose of the Basic Education Consolidation Project (BEC) is to assist the Ministry of Education (MOE) to plan, implement and evaluate an integrated, consolidated and coordinated basic education program which covers the first ten years of public education. BEC builds upon the achievements of two former USAID projects, the Primary Education Improvement Project (PEIP) and the Junior Secondary Education Improvement Project (JSEIP), which were instrumental in bringing about

major advances in the access to, and delivery of, quality basic education programs in Botswana. The BEC project assists the Ministry of Education to strengthen basic education services that include establishing a process which integrates curriculum development, instructional programs, teacher training and student assessment elements into a delivery system for the benefit of teachers and students. Therefore, the BEC project, as originally planned, was to increase student competence and lay a foundation for graduates to participate in the labor force and enhance their quality of life.

The prime contractor, AED, has a team of six advisors working in the Ministry of Education.

3) Impact of Mission Closing

The BEC Project will be terminated about a year and a half early. A detailed Close-out Plan is contained in Attachment D which has been developed in collaboration with the project advisors and MOE counterparts. The project Close-out Plan includes high priority activities which can be accomplished prior to the closure of the project. Overall, some activities will be accelerated, some reduced, and others have been deleted.

The original BEC project design contained a five year implementation period. However, because of delays in selecting and mobilizing a contractor, the project implementation period was reduced to four years three months. The loss of time at the start of the project, along with the loss of time due to its early termination, effectively reduces the implementation phase to two years nine months. However, a fair number of the project outputs will have been accomplished prior to September 30, 1995; and as a direct result of 16 years of USAID assistance, the institutional capacity of the MOE has expanded significantly to the point it is capable of eventually completing the unfinished activities begun under BEC.

The outputs which will be achieved are largely those which could be categorized as products which will be produced, e.g., teacher and student texts. Institutional building is, however, a continuous process which requires considerable time. Although the products of the project are important, the process that usually precedes production of such products is perhaps more important from the perspective of institutional building. This aspect of the project requires an adequate implementation phase and constant monitoring which is no longer possible. Furthermore, the planned for overlap between project advisors and MOE staff returning from training in the U.S. will not take place. Nevertheless, the MOE is committed to the completion of unfinished tasks, albeit at a slower pace than would have been the case had the advisors remained in place.

Since all long-term degree training had to be completed prior to September 30, 1995, this component of the project had to be accelerated, resulting in a temporary shortage of personnel in two key MOE departments in which the BEC advisors are working. The simultaneous placement of 24 participants in colleges and universities throughout the United States further limited the achievement of institutional development objectives under the project. Furthermore, although all 24 participants entered programs designed to be completed prior to September 30, 1995, the Mission was only recently informed that seven might require short extensions of time. USAID and the Permanent Secretary for the MOE have already been in discussions regarding this problem. The MOE has stated it will explore the possibility of finding funds within its own budget to allow the participants to complete their course of study. In the event the MOE is unable to provide the required funds, USAID will explore the possibility with the MFDP of transferring GOB funds under the Cost Sharing Project to the MOE in order to continue the sponsorship of the seven participants.

The six resident long-term advisors will depart Post in accordance with their functions and the program implementation schedule in the BEC Close-out Plan. (See Attachment D) These departures begin in July 1995 and end in September 1995. The AED contract will be shortened and amended accordingly. A Close-out Coordinator has been funded under the AED contract and has arrived at Post. He will depart in September when the contract terminates.

4) Project Management

The BEC Project will continue to be managed by a USPSC until September 1995 when the Project terminates. The Project Manager is under the supervision of the bilateral Mission's General Development Officer. Upon the departure of this officer in June 1995, the Project Manager will report directly to the bilateral Mission Director until September 30, 1995.

5) Close-out Actions

<u>Activity</u>	<u>Planned Date</u>
• ProAg Amendment	June 1995
• AED Contract Amendment	June 1995
• Final Evaluation	June-July 1995
• Deobligation of Unused Funds	July 1995
• Disposal/transfer of project commodities	September 1995
• Project Assistance Completion Report	September 1995
• AED Completion Report	December 1995

D. Other Projects (terminating by the end of FY 95)

a. Private Provision of Social Services (PPSS)

1) Basic Data

Project Number	633-0255
Original PACD	September 30, 1994
Revised PACD	March 31, 1995
Financial Status	
Original LOP Funding Level	\$830,000
Revised LOP Funding Level	\$830,000
Cumulative Obligations thru FY 1994	\$830,000
FY 1995 Obligation	\$ 0
Contractors and Grantees	
ICMA	

2) Project Description

The project was completed in March 1995. Under this project, USAID assisted the Gaborone City Council to privatize municipal solid waste collection services for a significant section of the city and to privatize the management and operation of the city's landfill. With the exception of the Republic of South Africa, Botswana is the first sub-Saharan country to privatize solid waste collection and disposal systems. The privatization of the collection activity is being closely watched by other municipal bureaus in Botswana and neighboring SADC countries.

3) Impact of Mission Closing

The project terminated on March 31, 1995.

4) Project Management

No action necessary.

5) Close-out Actions

<u>Activity</u>	<u>Planned Date</u>
•ICMA Completion Report	July 15, 1995
•Project Assistance Completion Report	July 30, 1995

b. Botswana Workforce and Skills Training Project (BWAST)

1) Basic Data

Project Number	633-0241
Original PACD	December 31, 1994
Revised PACD	December 31, 1994
Financial Status	
Original LOP Funding Level	\$27,867,000
Revised LOP Funding Level	\$21,961,000
Cumulative Obligations thru FY 1994	\$21,961,000
FY 1995 Obligation	0
Contractors and Grantees:	
Academy for Educational Development (AED)	

2) Project Description

Major activities under this project were completed in FY 1994, and the last long-term contract advisor departed Botswana in FY 1993. The PACD was extended to December 31, 1994 to allow several participant trainees to complete their course work in the U.S. and to permit Women's Finance House Botswana (WHFB), a microenterprise lending organization, to complete the implementation of a sub-grant of \$250,000.

3) Impact of Mission Closing

4) Project Management

Project terminated December 31, 1994.

5) Close-out Actions

None

c. Cost Sharing

1) Basic Data

Project Number	633-0999
Original PACD	September 30, 1995
Revised PACD	September 30, 1995
Financial Status	
Original LOP Funding Level	\$2,440,000
Revised LOP Funding Level	\$2,440,000
Cumulative Obligations thru FY 1994	\$2,440,000
FY 1995 Obligation	0

2) Project Description

This project does not use U.S. Government appropriated funds and was fully funded by the GOB. The Cost Sharing Project provides a source of funds for activities which support and supplement USAID-funded projects. The project consists of various small activities. Approximately \$40,000 remains to be programmed. USAID has advised the GOB that this balance must be programmed by June 30, 1995.

3) Impact of Bilateral Mission Closing

None

4) Project Management

USAID management responsibility for this activity will be implemented by the Assistant Project Development Officer until the project PACD of September 30, 1995.

5) Close Out Action

N/A

d. Project Development & Support

A review of outstanding PD and S requirements is being undertaken. If remaining FY 1994 funds are sufficient to cover these requirements, FY 1995 funds will be returned to USAID/W. This action will be completed by June 30, 1995.

E. Centrally Funded Projects

a. Activities with Significant Mission Involvement

1. Population Council

The Population Council is currently conducting operational research on the impact of improving the quality of family planning service delivery, including the integration of these services with the management and prevention of STDs and HIV/AIDS. The research will directly support the sustainability of BOTSPA (which terminates in FY 1996), and the findings will assist the GOB to refine a continuing in-service training program which was initiated under the project. USAID, through the Global Bureaus Africa OR/TA Project, will gain lessons learned from the GOB's experience in integrating reproductive health services on a national scale. The Population Council is coordinating this initiative with the BOTSPA Project Manager in order to maximize the benefits under both the Population Council OR/TA Project and BOTSPA. The research is being conducted through the provision of periodic short-term consultants, locally hired staff and GOB personnel. This activity was approved on June 21, 1994 by the AA/M in the Action Memorandum for the Approval of USAID/Botswana's Policy/Program Close-out Plan. The Population Council will continue to coordinate this activity with the BOTSPA Project Manager through its completion date of September 30, 1996, which coincides with the BOTSPA PACD.

2. Junior Achievement International (JA)

JA is implementing a Basic Business Program within Botswana's senior secondary schools. The project is jointly funded through a grant under the Mission's Cost Sharing Project, a USAID/W Centrally funded grant with Junior Achievement, and Junior Achievement International resources. The Mission's assistance to this project will cease as of the scheduled PACD of September 30, 1995. Although the PACD for the USAID/W centrally funded grant coincides with the termination of the bilateral JA activity, the Mission understands that Junior Achievement International is negotiating an extension of the Centrally funded grant. In the event that USAID/W extends the Central grant, it is probable that Junior Achievement International will wish to continue providing support to the Botswana effort. If so, it will have to implement the activity in accordance with the policy established by the AA/M in his memo dated April 6, 1995 pertaining to the continuation of activities of close-out Missions.

b. Activities with Minimal Mission Involvement

1. OFDA has located a regional Disaster Preparedness Training Advisor in Botswana. USAID/Botswana has been providing office space and minimal logistic support to the advisor. The program runs through FY 1995. Botswana was chosen as the location for the regional advisor because of its receptivity to the concept of disaster preparedness planning and the willingness of the Government of Botswana to provide housing. It's our understanding that the OFDA activity is to continue and that the RCSA will continue to provide logistical support to the advisor.

2. Renewable Energy for Africa Development (REFAD), Energy Training Program (G/ENV/EET), International Foundational for Education and Self Help (IFESH) and the United States Telecommunication Training Institute (USTTI) have been providing training opportunities for Botswana. In these cases USAID/Botswana's role has been limited to assisting in the identification, screening and nomination of candidates to participate in the training programs sponsored by the above organizations. Upon closure of the bilateral Mission, should these organizations wish to continue to promote their activities in Botswana, arrangements will have to be made directly with appropriate Botswana organizations in accordance with the memorandum prepared by Larry Byrne AA/M, dated April 6, 1995 pertaining to the continuation of activities in close-out countries.

III. MONITORING, EVALUATION AND AUDITS

Every effort has been made to reduce the management burden which continuing bilateral and regional projects will place on the RCSA. Responsibilities such as grant and contract management, procurement of project commodities, and management of participant training will be completed by the bilateral Mission or turned over to one of the implementing entities. Responsibility for project monitoring, evaluation and audit,

however, must, in most cases, be retained by USAID via the RCSA. In addition to day-to-day project management, progress and impact monitoring will be the responsibility of the three USPSC project managers who will remain on board after the bilateral Mission closes. They will also be in a position to draft evaluation scopes of work, recruit consultants and process the paperwork necessary to employ evaluation teams and work with the Controller's Office on the implementation of audit requirements. Funding has been reserved in all projects for use by the RCSA for evaluations and audits.

IV. OPERATIONAL TRANSITION

A. Introduction

USAID/Botswana and the RCSA are in the process of developing a timetable and process by which the RCSA assumes responsibility for bilateral Mission assets and personnel. RCSA personnel are currently being selected and assigned to Botswana, and RCSA programmatic and administrative requirements are being defined. The RCSA Director, Supervisory PDO, Contracting Officer and Legal Advisor have arrived at Post.

Initial discussions regarding current bilateral staff (see IV.A.2) have already begun. Most of the bilateral staff will likely be continued. In the meantime, USAID will retain all its staff, houses, usable NXP, etc., until transferred to the RCSA.

When USAID/Botswana closes there will be two bilateral projects which continue (BPED and BOTSPA), and three regional projects (NRMP, SACCAR and ISNAR) for which the bilateral Mission has had management responsibility. BPED, BOTSPA and NRMP will continue to be managed by three USPSCs (as presented in USAID/Botswana's Policy/Program Close-out Plan and approved by AA/M on June 21, 1994). These three USPSCs will continue to require the usual array of administrative and financial support services. In addition, BPED, BOTSPA and NRMP will have a total of 16 long-term resident project funded personnel: BPED (1); BOTSPA (2) and NRMP (13). These 16 advisors will also continue to require administrative support services. The costs of providing administrative support services to these advisors, heretofore, have been funded under their respective projects, as described in section IV A.3.

The RCSA, which will be employing PSCs and contractors to implement the ISA, will provide support to the PSCs and contractors who will continue to implement the remaining bilateral portfolio. (One of the mandates of the RCSA is to assume management responsibility for the remaining activities of close-out Missions, e.g., Lesotho, Botswana and eventually Swaziland.) It is, therefore, important for USAID and RCSA staff to coordinate closely on the transition process (in particular personnel requirements) in order to ensure that bilateral project needs are met along with the needs of the RCSA. This has already begun. Set forth below is a discussion of the issues and problems which must be dealt with in the process of planning and implementing the close-out of the bilateral Mission.

1. U.S./TCN Direct Hire Staffing - In the beginning of FY 1995, USAID/Botswana had five USDH officers and one TCNDH at post. Since then, three have departed. The Supervisory Project Officer/Project Development Officer departed in February, the Controller in May, and the Supervisory General Development Officer in early June. The Mission Director, the Agricultural and Natural Resources Development Officer, and the TCN Assistant PDO will depart in September when the bilateral Mission closes. As a result of these departures, the bilateral Mission will be (as of June 10) one less than its FY 1995 USDH ceiling of three. The RCSA has proposed transferring the direct hire TCN to the Regional Center after September 30, 1995.

2. Foreign Service National Staff - USAID has 26 FSNs with skills that will for the most part prove useful to the RCSA. (Most of these FSNs are assigned to the Controller and EXO offices.) In conjunction with the closing of the bilateral Mission, all USDH, FSN and OE-funded PSC positions will be deleted. An employee separation schedule is in the process of being developed in accordance with the close-out requirements of the bilateral Mission and the establishment of the RCSA. The RCSA is in the process of establishing new FSN and US/TCN PSC positions. These positions will first be advertised internally to allow all current employees to apply. In those cases, (which we expect will be few, if any) where current employees are not selected by the RCSA, they will be terminated in accordance with current post personnel policies.

3. Contractor Support - The Executive Office currently provides a wide range of logistical support services to contractors (both PSC and institutional) and grantees, as well as USDH personnel. The costs of providing these services are allocated between project and OE funds on the basis of formulas derived from a careful assessment of workloads. Such services include: motor pool management, house maintenance, procurement, customs clearance, warehousing, and expendable and non-expendable property management. If the RCSA continues this arrangement, it is assumed that project funded PSCs, institutional contractors and grantees, who continue after the closing of the bilateral Mission, will continue to receive the same logistical support services from the RCSA.

4. US/TCN PSC Ceiling - The bilateral Mission currently has a PSC ceiling of 11 through September 30, 1995. These 11 positions include four project managers who will continue until their respective projects terminate (one in FY 1995, two in FY 1996 and one in FY 1997). The other seven are support positions, four of which are absolutely essential to the operation of a Mission, and even more so during the start-up period of the RCSA.

5. Office Space - The current lease for the bilateral Mission office has been extended to February 1996 to allow the RCSA maximum flexibility during the start-up process.

6. Housing - USAID currently owns 7 houses for USDH staff, which will be transferred to the RCSA. It also administers a pool of 35 houses provided by the GOB. The GOB will continue to provide this housing to contract employees who will continue after September 30, 1995. As GOB housing becomes surplus to USAID requirements, it will be returned in accordance with existing agreements.

7. Vehicles - To meet the needs of the three USPSC's who will remain after the bilateral Mission closes to manage USAID projects, vehicles already procured with the project funds will be made available to them.

8. Non-Expendable Property - All OE NXP will be retained and transferred over to the RCSA. Project funded NXP will be transferred to the GOB as activities terminate, in accordance with existing agreements.

9. Computer Equipment - The Mission has an excellent, up-to-date network. The current equipment/system will be transferred to the RCSA.

V. FINANCIAL/ADMINISTRATIVE MANAGEMENT

The USAID/Botswana Controller's Office is already receiving funds for RCSA expenditures (e.g., transfer to post travel, NXP procurement). At this time, the office is capable of handling the workload. However, there is likely to be an extraordinary bulge in workload toward the end of FY 1995 when Mission close-out actions relating to terminating projects, contracts and grantees, and departing personnel coincide with the initiation of activities under the ISA, and the situation will have to be closely monitored. The same situation applies to the Executive Office.

VI. TRANSITION ACTIONS/ISSUES

- Provision has not yet been made to provide the RCSA with a sufficient PSC ceiling to absorb the three project managers who will continue implementing the three ongoing projects until their completing dates. Nor has provision been made under the RCSA PSC ceiling for the continuation of critical USAID/Botswana support staff (currently four) which includes the Assistant Controller, Systems Manager, GSO and Director's Executive Assistant. They are scheduled to be on board through COB September 30, 1995. Provision also has to be made for transferring the DHTCN discussed above.
- Looking to the future, plans for the RCSA Controller and EXO operations will have to take into account the workload generated by remaining bilateral projects (including Lesotho and Swaziland) which will carry over into FY 1996 and FY 1997. This reality makes the outstanding PSC issue discussed above even more significant.

- An employee separation plan will be developed in collaboration with the RCSA. Once the RCSA finalizes decisions on its local hire staffing pattern and completes job descriptions, positions will be advertised internally. Those bilateral employees which are not selected will be separated in accordance with current post local personnel policies and procedures.
- As continuing bilateral projects terminate, the RCSA will assume responsibility for the disposition of project related commodities in accordance with existing agreements.
- Project manager contracts will be reviewed and modified, if required, to include responsibility for those close-out actions indicated in section II.A.
- A mechanism needs to be developed with USAID/Washington to allow for the continuation of the Ambassador's Self-Help Fund and 116E activities. This is also the case for other close-out programs for which the RCSA will assume responsibility.
- A mechanism will have to be developed to allow for the short extensions required by the seven BEC participants, as discussed in section II.C.a.

Attachments

- A. Program Close-out Cable
- B. BPED Approval Action Memorandum
- C. BPED Redesign Plan
- D. BEC Close-out Plan
- E. Summary Personnel Table
- F. Project Implementation Review Reports (not included as part of this document, available from AFR/SA, Room 3921.)



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OUTGOING TELEGRAM

U S AGENCY FOR INT'L DEV. TELECOMMUNICATIONS CENTER

ATTACHMENT A

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ORIGIN OFFICE AFSA-B3
INFO FADD-B1 POD-B1 AFDP-B6 BHR-B1 PRAA-B1 AFAR-B5 PPOD-B1
AFMS-B3 GC-B1 GCAF-B1 FADM-B3 PREI-B1 FVPP-B1 AAG-B1
ES-B1 OFDA-B1 AAID-B1 AAM-B1 MPI-B3 POP-B4 STAG-B2
ENGY-B2 ED-B3 FAB-B1 DRCO-B2 FMAD-B2 SEC-B1 HOD-B1
HEM-B4 DAAM-B1 AFFW-B2 PPDC-B1 /063 A6 LW 17/1819Z
INFO LOG-BB AF-BB AGRE-BB TEDE-BB /002R

G) THE CONTINUATION OF THE SORGHUM/MILLET CRSP (IMTSORMIL) ACTIVITY, BASED ON THE RATIONALE PROVIDED BY THE GLOBAL BUREAU, UNTIL ITS FY 1999 COMPLETION DATE.

H) CONTINUATION OF THE FOLLOWING ACTIVITIES (THE DEMOCRACY AND HUMAN RIGHTS FUND, SPECIAL SELF-HELP, SPECIAL PROJECT ASSISTANCE (PEACE CORPS) AND INTERNATIONAL MILITARY EDUCATION AND TRAINING), ALL MANAGED BY THE EMBASSY, AS CATEGORICAL EXCLUSIONS AFTER BILATERAL CLOSE-OUT.

3. ALL ONGOING CENTRALLY-FUNDED ACTIVITIES ARE SCHEDULED FOR COMPLETION BY SEPTEMBER 30, 1995, EXCEPT FOR THE UNIVERSITY DEVELOPMENT LINKAGES PROJECT. THE DECISION REACHED AT THE REVIEW WAS THAT THIS PROJECT SHOULD NOT EXTEND BEYOND SEPTEMBER 30, 1995.

4. WITH RESPECT TO PROPOSED CENTRALLY-FUNDED ACTIVITIES, THE DECISIONS REACHED AT THE REVIEW WERE:

A. ACTIVITIES UNDER THE GLOBAL AFRICA OR/TA PROJECT ARE TO TERMINATE BY SEPTEMBER 30, 1996. IF BOTSWANA-BASED DATA ARE REQUIRED AFTER THAT DATE, ARRANGEMENT SHOULD BE MADE WITH THE APPROPRIATE BOTSWANA INSTITUTIONS TO SECURE SUCH DATA AT NO COST TO USAID.

B. BPED EVALUATION. THIS DID NOT PRESENT AN ISSUE.

C. NATIONAL COUNCIL OF NEGRO WOMEN. THE BOTSWANA PORTION OF THIS NEW GRANT PROPOSAL SHOULD NOT BE APPROVED.

D. BOTH THE WORLD RESOURCES INSTITUTE AND IMPACT OF

POLICY CHANGE ACTIVITIES ARE SHORT-TERM AND MAY PROCEED AS PLANNED.

5. COPY OF SIGNED ACTION MEMORANDUM WAS FAXED TO MISSION IN JUNE. ALSO, SEPTEL WILL FOLLOW RE DECISION ON LOCATION OF REGIONAL CENTER. FOLLOWING RECEIPT OF THIS CABLE ON THE REGIONAL CENTER, MISSION SHOULD PROCEED WITH PREPARATION OF A DETAILED CLOSE-OUT PLAN. CHRISTOPHER

DRAFTED BY: AID/AFR/SA:DHENDELSON:DM:CLOSEOUT.CBL
APPROVED BY: AID/DA/AFR:CPEASLEY
AFR/SA:JGODDWIN(DRAFT) AFR/SA:JHALE
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UNCLAS STATE 220351

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TAGS

SUBJECT: APPROVAL OF USAID/BOTSWANA'S POLICY/PROGRAM CLOSE-OUT PLAN

1. THIS CABLE SUMMARIZES DECISIONS APPROVED BY AA/M BYRNE IN THE SUBJECT CLOSEOUT ACTION MEMORANDUM. MISSION SHOULD BEGIN TO IMPLEMENT DECISIONS, INCLUDING ANY NEEDED NOTIFICATION TO THE GOVERNMENT OF BOTSWANA.

2. BASED ON THE BOTSWANA POLICY/PROGRAM CLOSEOUT PLAN REVIEW, HELD MAY 3, 1994 AND THE SUBSEQUENT ACTION

MEMORANDUM (DATED JUNE 10, 1994) WITH RECOMMENDATIONS REGARDING CONTINUATION/TERMINATION OF PROGRAM ACTIVITIES, AA/M BYRNE APPROVED THE FOLLOWING RECOMMENDATIONS ON JUNE 23, 1994:

A) THE TERMINATION OF THE BOTSWANA PRIVATE ENTERPRISE DEVELOPMENT (BPED) PROJECT BY SEPTEMBER 30, 1995;

B) THE TERMINATION OF THE BASIC EDUCATION CONSOLIDATION (BEC) PROJECT BY SEPTEMBER 30, 1995, OR EARLIER, IF POSSIBLE; AND

C) THE CONTINUATION OF THE BOTSWANA POPULATION SECTOR

ASSISTANCE (BOTSPA) PROJECT UNTIL SEPTEMBER 30, 1996, WITH NO RESIDUAL BILATERAL POPULATION ACTIVITIES BEING ENCOMPASSED UNDER THE REGIONAL POPULATION ACTIVITIES.

D) THE CONTINUATION OF THE BOTSWANA COMPONENT OF THE SOUTHERN AFRICA REGIONAL NATURAL RESOURCES MANAGEMENT PROJECT (SRMP), INCLUDING THE DOLS. 5.5 MILLION AMENDMENT, UNTIL AUGUST 1997, BASED ON THE RATIONALE PROVIDED IN THE CLOSE-OUT MEMORANDUM.

E) THE CONTINUATION OF THE SARP AGRICULTURAL RESEARCH PROJECT (SACCAR) UNTIL ITS CURRENT PACD OF APRIL 1, 1997.

F) THE CONTINUATION OF THE ALABAMA A&M ACTIVITY, BASED ON THE RATIONALE PROVIDED BY THE GLOBAL BUREAU, UNTIL ITS COMPLETION DATE, WHICH IS PRIOR TO THE MISSION'S CLOSURE.

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UNCLASSIFIED



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

ATTACHMENT B

EXECUTIVE SECRETARIAT

1994 NOV 14 P 5:20

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Assistant
Administrator
for Africa

ACTION MEMORANDUM FOR THE ADMINISTRATOR

FROM: AA/AFR, John F. Hicks

SUBJECT: Botswana - Continuation of Botswana Private
Enterprise Development (BPED) Project

Issue: Whether the decision taken in the June 10, 1994 memorandum "Approval of Botswana's Program/Policy Close-out Plan" should be revised to extend the approved termination date of the Botswana Private Enterprise Development (BPED) project from September 1995 to September 1996.

Discussion: Following review of USAID/Botswana's proposed close-out plan, the Africa Bureau recommended to the Assistant Administrator for Management that the BPED Project be continued through September 30, 1996. However, in the review held in May 1994, the decision was taken by AA/M that the project should terminate in September 1995, since it did not meet the criteria for continuation. During the May 1994 meeting, the AA/M also determined that the Mission's Basic Education Consolidation Project would be terminated on September 30, 1995 (18 months prior to the original PACD) and that the Mission's Population and Natural Resources Management projects would continue after closure of the bilateral mission until their original termination dates.

In mid-October 1994, when BPED implementing entities and concerned Government of Botswana (GOB) ministries were advised that the BPED project would be terminated by September 1995, one and a half years early, they expressed grave concerns and requested that USAID reconsider its decision to terminate the project early. This was due largely to the fear that early termination of the project would preclude the Botswana Confederation of Commerce, Industry and Manpower (BOCCIM) from continuing to play its crucial role as the private sector spokesorganization in an ongoing policy dialogue process with the GOB. Only last month, BOCCIM, increasingly effective after a three-year

effort, was able to encourage President Masire to create a Consultative Council in which the public-private sector dialogue could be institutionalized at the highest level. The President will serve as chairman of this council and BOCCIM's effective participation will be crucial to this new forum's success.

The BPED project encompasses a wide array of activities which are contributing significantly to strengthening the private sector. The project has three main objectives: 1) improve the effectiveness of policy dialogue between the private and public sectors on issues affecting private sector-led growth; 2) broaden opportunities for citizen entrepreneurs; and 3) increase domestic and foreign private investment in non-mineral sectors of the economy. Built into the project design were activities to strengthen the capacity of the implementing entities to continue to pursue these objectives on a sustainable basis beyond the life of the project.

However, all stakeholders agree that ensuring the sustainability of BOCCIM as private sector spokesorganization and institutionalizing the public-private policy dialogue are the most important aspects of the project. Accordingly, the Mission has submitted a proposal for continuing a scaled-down BPED project until September 1996. The proposal requires no additional funds beyond those already programmed for obligation in FY 1995 and presents a minimal management burden for the Regional Center.

BOCCIM is growing as an institution and is now recognized as the voice of the private sector in dialogue with the GOB on issues concerning private sector development. With support from the BPED project, BOCCIM has conducted a number of critical policy-oriented studies to identify constraints to private sector growth. Project supported efforts such as this one have helped BOCCIM to gain the credibility needed to influence public policy. The formation of the Consultative Council represents a major breakthrough in the dialogue between the public and private sector. BOCCIM's policy advocacy role has become more critical over the last couple of years, as the economy has been decelerating rapidly from the boom of the 1980s. Given the ability it has developed to influence public policy, BOCCIM has a key role to play in continuing to lobby the GOB to explore new opportunities for economic diversification.

BOCCIM's credibility with the GOB stems in part from the recognition that BOCCIM represents small enterprises as well as large and medium-sized businesses. Therefore, in addition to directly strengthening BOCCIM's capacity in the policy arena, the BPED project is helping BOCCIM to develop its capacity to provide services which respond to all member needs and priorities and to grow into a self-sustaining organization capable of maintaining a large, active membership. Sufficient time is required for BOCCIM

to restructure to make such activities self-sustaining. Abrupt termination of these activities would affect the size and composition of its membership and reduce its credibility to the GOB as the voice of the private sector.

It is clear that BOCCIM will be unable to continue to provide its current range of services if USAID funding ceases prematurely. (Currently, 54% of BOCCIM's budget comes from USAID.) Termination of the BPED project one and a half years early will catapult BOCCIM into a financial crisis which will prevent it from achieving sustainability and fulfilling its role as the voice of the private sector. This will, in turn, undermine achievement of the core objectives of the project. It is, therefore, essential that BPED continue to support BOCCIM at least through September 1996 to allow the organization to attain self-sufficiency and to ensure that BOCCIM continues to be able to promote private sector development in the future.

The recent BPED mid-term evaluation concluded that "BOCCIM's increasingly active role in public dialogue on economic policy may have more ultimate impact on job creation and the development of citizen entrepreneurs than many activities with more immediately visible effects." Therefore, the fundamental objective of BPED can still be achieved by streamlining the project after September 1995 to focus on two key objectives: 1) ensuring the sustainability of BOCCIM as an effective voice for the private sector in Botswana; and 2) ensuring the sustainability of the policy dialogue process that has recently begun to show results.

The Mission has determined that the BOCCIM component can be financed through September 1996 by reprogramming currently obligated funds, combined with the incremental funds already programmed for FY 1995 obligation. The project will finance: 1) a long-term Policy Advisor to BOCCIM through April 1995; 2) short-term technical assistance in critical policy areas; 3) operating resources to ensure that the Consultative Council is an effective mechanism for dialogue between the private sector and the GOB; and 4) general capacity building at BOCCIM.

In order to ensure that sufficient financial resources are available to achieve the above high-priority objectives, other components of the BPED project will be phased out by September 1995 or earlier, and funds will be reprogrammed. Long-term international training will be discontinued once all current participants have completed their programs. Short-term international and regional training will be scaled back to focus on strengthening the capacity of the implementing entities to conduct policy analysis and dialogue. Direct assistance to the Botswana Development Corporation (BDC) will cease by September 1995.

If BPED is extended beyond September 1995, it is envisaged that BOCCIM will assume increased responsibility for managing the project. BOCCIM has effectively managed and accounted for funds under its Grant Agreement with USAID and has assumed an increasing role in the design, implementation and management of project activities.

The gains made by this project in fostering the public-private sector dialogue and the sustainability of BOCCIM as a private sector spokesorganization, combined with the fact that no additional funds beyond those already programmed for obligation in FY 1995 would be required, argue strongly for extension of this project by one year. It will also require only a minimal management burden for the Regional Center, since if the project is extended by one year, the USAID PSC Project Manager will be placed under the direct supervision of appropriate Regional Center personnel. Furthermore, completion of the activities during FY 1996, as proposed above, will allow for greater and more effective utilization of assistance to be provided under the new Initiative for Southern Africa (ISA). Since the project includes operating costs, as well as technical assistance, we believe it is more appropriate to extend this bilateral project than to seek possible funding mechanisms in the Global Bureau.

Recommendation: That you approve the continuation of the BPED project through September 1996, by streamlining the project to focus on two key objectives: ensuring the sustainability of BOCCIM as an effective voice for the private sector in Botswana and ensuring the sustainability of the policy dialogue process.

Approve: _____

JBA

Disapprove: _____

Date: _____

11/14/94

Action Memorandum to the Administrator for Continuation of the Botswana Private Enterprise Development (BPED) Project through September 1996

Clearances:

DAA/AFR:CPeasley CP Date 11/2
AFR/SA:JHale we for Date 11/2/94
AA/M:LByrne _____ Date _____
DA/AID:CLancaster _____ Date _____
ES:AWilliams _____ Date _____

AFR/SA:DMendelson DM USAID/Botswana:DMandel::dm:10/31/94:atwbped.mem

USAID/BOTSWANA
CLOSE-OUT PLAN
ATTACHMENT C

Botswana Private Enterprise Development (BPED) Project
Redesign Plan

1. Project Description and Current Status

a. Basic Data

Project Number	633-0253
Original PACD	March 31, 1997
Revised PACD	September 30, 1996

Financial Status

Original LOP Funding Level	\$16,300,000
Revised LOP Funding Level	\$13,146,000
Cumulative Obligations	\$13,146,000
Cumulative Accrued Expenditures as of 5/1/95	\$ 8,555,000
Projected Expenditures FY 1995	\$ 2,223,000
Projected Expenditures FY 1996	\$ 2,368,000

Implementing Entities	Botswana Confederation of Commerce, Industry and Manpower (BOCCIM); Ministry of Commerce and Industry (MCI); Botswana Development Corporation (BDC)
Prime Contractor	Deloitte Touche Tohmatsu ILA Group Ltd. (D&T)
Subcontractors	Development Associates, Inc. (DA); Development Alternatives, Inc. (DAI)
U.S. PVO	International Executive Service Corps (IESC)

b. Project Description

The overall goal of the USAID program in Botswana is to enhance the conditions necessary to support sustained improvement in the economic and social well-being of the average Botswana household. In support of this objective, the BPED project aims to enhance the enabling environment for increased private investment and enterprise growth in non-mineral sectors of the economy by: i) increasing the effectiveness of policy dialogue between the private and public sectors on issues affecting private sector expansion; ii) broadening economic opportunities for citizen entrepreneurs; and iii) increasing domestic and foreign private investment in non-mineral sectors of the economy. Built into the project design were activities to strengthen the capacity of the implementing entities to continue to pursue these objectives on a sustainable basis beyond the project completion date.

Project implementation focuses on three principal elements:

- i) Policy Development and Implementation: BPED is strengthening the capacity of BOCCIM and the private sector to identify, prioritize and analyze policy issues and advocate effectively for necessary changes to the policy environment. In the public sector, resources from the BPED project are helping to strengthen MCI's capacity to develop and implement effective policies in support of private sector development. BDC has also been an active participant, and has played a catalytic role, in BPED policy studies which point to new avenues of private sector development, particularly in the area of financial sector development.
- ii) Management and Entrepreneurial Development: The scarcity of appropriately trained human resources in Botswana has been a major constraint to the development of citizen-owned enterprises and citizen participation in the private sector. BPED has sought to address this constraint by providing management assistance and training to enhance the capacity of citizen entrepreneurs to identify, develop and benefit from viable investment opportunities in non-mineral sectors of the economy. In addition, BPED has financed long- and short-term academic training to strengthen the capacity of GoB officials and business organizations to create an enabling environment for entrepreneurial development.
- iii) Investment Promotion and Support: This component facilitates foreign and domestic investment by providing support to BDC and BOCCIM investment promotion activities.

A Project Implementation Committee (PIC), comprised of representatives from BOCCIM, MCI, BDC, D&T and USAID, is the central authority for the development, review, approval and implementation of all project activities. The implementing entities are responsible for developing specific workplans and overseeing the effective implementation and management of all activities approved for BPED funding. Although an Operating Committee was established to oversee medium- to long-term planning and coordination, and to screen proposed activities prior to their submission to the PIC, the increasing complexity of project activities resulted in considerable duplication of functions between the Operating Committee and the PIC. The Operating Committee has therefore been replaced by four Technical Subcommittees, which meet quarterly to review proposed and ongoing activities in the areas of: i) Policy Development and Implementation; ii) Management and Entrepreneurial Development; iii) Investment Promotion; and iv) Financial Sector Development. These subcommittees forward their recommendations to a streamlined PIC, which consists of one high-level representative from each of the implementing entities and USAID. D&T is responsible for providing administrative, logistical and technical services in support of project implementation.

c. Major Achievements

Project implementation has proceeded on schedule with impressive results. BOCCIM is growing as an institution and is now recognized as the voice of the private sector in dialogue with the GoB on issues concerning private sector development. BPED is simultaneously assisting BOCCIM to lobby the GoB to implement the recommendations of policy studies, and helping BOCCIM to strengthen its internal analytical capabilities to permit it to fulfill its role in the policy dialogue process once the project ends. These project-supported efforts have helped BOCCIM to gain the credibility needed to influence public policy.

BOCCIM's crucial advocacy role was finally recognized when the President of Botswana recently agreed late last year to chair a High Level Consultative Council (HLCC), which will provide a permanent forum through which the private sector can contribute to the formulation of national development policies and strategies and serve as a vehicle for addressing the concerns of the business community on a continuing basis. In addition to the President and the Vice President, all Cabinet members and their advisors will attend meetings of the HLCC. At the request of the GoB, BOCCIM has identified private sector representatives and formulated an agenda and is currently arranging for the first meeting. The success of the HLCC is absolutely critical to the sustainability of the policy dialogue process, and the burden of ensuring success falls squarely on BOCCIM.

Some specific examples of BPED success in the policy arena to date are summarized below:

- In response to the recommendations of a BPED-funded Foreign Exchange Control Liberalization study, the Vice President and Minister of Finance and Development Planning announced during his 1994 budget speech that Botswana proposed to accede to IMF Article VIII status. Subsequently the study and its recommendations were the subject of a detailed review by representatives of the Ministry of Finance and Development Planning (MFDP) and the Bank of Botswana (BoB), in consultation with the International Monetary Fund and local financial institutions. On December 13, 1994, the Vice President announced a package of major exchange control reforms which will greatly improve Botswana's economic competitiveness in the region and encourage the development of Botswana's financial services sector. The press release accompanying the announcement specifically credited BOCCIM and the Foreign Exchange Control Liberalization study with providing the impetus for these reforms.

- Under the Collective Investment Undertakings (CIU) project, BPED consultants have produced draft legislation which would establish Botswana as a jurisdiction for collective investment undertakings. A number of working luncheons and meetings with high level GoB and private

sector officials were organized to lobby for the adoption of the legislation. MFDP requested the consultants to present their recommendations to senior MFDP officials, and a further presentation was made to the Vice President and Minister of Finance in early May. The draft legislation will now be presented to Cabinet and then sent to the Attorney General's Chambers. MFDP officials have indicated that the legislation might be presented to Parliament as early as November 1995.

- The development of Botswana as a center for providing financial services of various kinds to regional and international markets is increasingly seen as an attractive option for diversification of the economy away from a dependence on diamonds. The recently announced foreign exchange control liberalization measures should provide an important boost to the development of Botswana as a regional financial services center. However, the decision to establish Botswana as a financial services center must be based on a careful analysis of the benefits and costs to Botswana of doing so. In recognition of the complexity of the issues involved, and in response to lobbying efforts already undertaken in conjunction with the CIU project, MFDP requested BDC to spearhead a study to assess the feasibility of establishing Botswana as an international financial services center. The terms of reference were developed by BDC in collaboration with MFDP, and the BPED-financed study is now underway. A draft final report is expected by the end of June.
- Botswana's local building materials manufacturers have encountered resistance in their efforts to penetrate local markets and have complained that they cannot compete with foreign companies within the Southern African Customs Union (SACU) region. With BPED support, BOCCIM undertook a major study to examine issues affecting the construction sector as a basis for outlining a strategy that makes more effective use of local resources and expertise. The study, accompanied by intensive lobbying by BDC on behalf of its affected portfolio companies, resulted in the virtual elimination of the previous practice of specifying foreign construction materials in GoB tender documents, thereby increasing business volume for local material manufacturers. In addition, clay and concrete brick imports have dropped dramatically due to changes in GoB buying practices. Previously imported steel sectional pipe has largely been replaced by superior and less costly concrete and steel reinforced pipe which is made locally, and local manufacturers of paint, roof trusses and door and window frames have also experienced increases in utilization of their products.
- BOCCIM has consistently argued for lower corporate tax rates in order to encourage investment and improve Botswana's competitiveness in the region, and in July 1994 the GoB reduced the effective company tax rate to

35%. Various BPED studies, including the Export Incentives study, the CIU project, and the Foreign Exchange Control Liberalization study, have argued for a further reduction in corporate tax rates. In December 1994, the GoB requested BOCCIM to submit a private sector position paper on tax reform. In response, the Vice President announced in the 1995 Budget Speech that the effective company tax rate would be further reduced to 25% in July 1995. Furthermore, the effective rate for manufacturing entities (excluding companies engaged only in packaging, blending, bottling and assembling) has been reduced to 15%.

-- A BPED-sponsored conference on Michael Porter's competitive advantage paradigm shifted thinking towards the idea that some sectors will develop more easily than others in Botswana, and that resources should be targeted towards them. A strategy of promoting niche markets in goods and services, addressed in BOCCIM's response to the draft 1994 Budget Speech, has become the foundation for the GoB's negotiating position with respect to the SACU agreement.

-- BOCCIM has organized several meetings of local exporters and manufacturers to discuss and take positions on changes in SACU rules, some of them caused by new GATT regulations. MCI has developed its basic SACU negotiating stance but requested private sector feedback now that negotiations are underway. Through BPED, BOCCIM commissioned a study to propose revisions to the SACU agreement that would maximize Botswana's potential to develop a competitive and export-oriented private sector. The consultants have completed their report and BOCCIM presented its recommendations to the GoB SACU negotiating team in February 1995. The Permanent Secretary of MCI has written to BOCCIM to say that the negotiating team will continue to solicit the private sector's views as the negotiations proceed.

-- A review of the Local Preference Scheme (LPS) has been completed and, in accordance with its recommendations, MCI has designed a Set Aside Scheme to replace the current bid discounting feature of the LPS. The Set Aside Scheme will promote the growth of citizen-owned enterprises in the production of goods and services through selective reservation of GoB procurements for citizens.

-- The Botswana Power Commission commissioned a review of tariffs and power needs. The study argues for construction of a new power plant, which could lead to higher rates for users. Using databases developed under the BPED project, and guided by the MCI Policy Advisor, MCI criticized the methodology of the study and lobbied vigorously with the Ministry of Water and Mineral Resources (MWMR) to reject the findings and conclusions of the study, and to defer any decision to build a new plant until it is clear that such action is warranted due

to the inability of neighboring countries to supply power reliably and less expensively. MCI and BOCCIM are now engaged in a dialogue with MWMR as to how power tariffs for industrial users could be reduced.

MCI's ongoing transition from a regulatory to a supportive role with respect to the private sector is another indication of an improved enabling environment for private sector development. The MCI Policy Advisor worked closely with his counterpart and other colleagues to develop a policy agenda and build internal capacity for conducting policy analysis. By engaging staff in policy studies, demonstrating the utility of company level databases, and coordinating training in computers and analytical techniques, the Advisor gradually stimulated interest in conducting policy studies. The Department of Industrial Affairs reorganized the Policy and Programs Division, headed by the Advisor's counterpart, to focus more on policy research and analysis. The Project Research Unit (PRU) has essentially been converted into a Policy Unit, and PRU staff have undertaken increasing responsibility for conducting policy analyses in support of private sector development.

Previously, there was no formal consultation at the working level between the public and private sectors with respect to policy. Now, however, MCI routinely establishes public/private sector task forces to guide policy studies which fall within MCI's areas of technical expertise.

BDC is gradually diversifying its investments into non-traditional areas, including the financial sector. Early in 1994, BDC commissioned a consultancy through BPED to develop a framework for accelerating the divestiture of its Industrial Division holdings to ensure that adequate funds are available for investment in new and necessary development projects. In May 1994, the BDC Board incorporated the Divestiture Study report into its Corporate Strategic Plan. Subsequently, a Corporate Finance and Divestiture Manager was appointed from among BDC's citizen staff, and he is currently engaged in organizing the new unit and negotiating several divestitures. Three divestitures were completed in 1994, including a major public issue, and divestitures for another ten companies are currently under study or negotiation. It is highly probable that at least one additional major public issue and three private treaty sales will be featured in 1995.

In January 1994, 18 new enterprises/joint ventures were formed with BPED-related assistance. New and expanded private investment attributable to BPED assistance and promotion activities in 1994 amounts to \$28.8 million, while 1,431 new jobs were created for citizens (approximately 80% of them female) through ventures successfully promoted with BPED assistance. In addition, BPED assisted in reorganizing and refinancing six companies requiring approximately \$5.25 million in added investment to save approximately 1,232 jobs (61% held by females). Among the industries which have been hardest hit by the recession are those engaged in construction and construction materials manufacturing. In addition to

salvage programs for some of the affected companies, BPED has continued to promote policy initiatives to strengthen the competitive position of these industries.

2. Impact of Mission Closing

a. Justification for Continuing BPED Beyond September 1995

BOCCIM's policy advocacy role has become more critical over the last couple of years as the economy has been decelerating after the boom of the 1980's. Per capita income has been declining, and 12,800 private sector jobs were lost between September 1991 and March 1993 alone. Although some economic recovery is underway, the revised macroeconomic projections for the remainder of the decade paint a somber picture. With so much of the GoB's strategies for economic diversification and employment creation focussed on manufacturing sector growth, the 11 percent fall in manufacturing output together with the 15 percent decrease in manufacturing employment over the past two years has highlighted the need for Botswana to reassess its development strategies. Given the ability it has developed to influence public policy, BOCCIM has a key role to play in continuing to lobby the GoB to explore new opportunities for economic diversification.

BOCCIM currently depends on donors, primarily USAID, for 60 percent of its revenues. In anticipation of BPED's original completion date of March 31, 1997, BOCCIM commissioned a project-financed Organization Strategy Review at the midpoint of the project to examine options for its future and develop a strategic plan for the next 5-10 years which would be financially sustainable without donor funding. BOCCIM would not have been in a position to undergo such a review earlier. Appropriate accounting and management systems had to be developed, and the new structure had to evolve to a point where BOCCIM could then move forward with the strategic planning process.

It is not realistic to expect that BOCCIM's strategic plan can be implemented without assistance and that BOCCIM will be financially independent by September 1995. Termination of BPED in September 1995 would have catapulted BOCCIM into a financial crisis which would have prevented it from achieving sustainability and fulfilling its role as the voice of the private sector. This in turn would have undermined the achievement of the core objectives of the BPED project. An orderly phase-down of BPED is therefore crucial to allow BOCCIM the minimal time necessary to restructure its operations to ensure long-run financial sustainability.

b. Streamlining BPED's Focus

The BPED midterm evaluation concluded that "BOCCIM's increasingly active role in public dialogue on economic policy may have more ultimate impact on job creation and the development of citizen entrepreneurs than many activities with more immediately visible effects." All stakeholders agree that ensuring the sustainability of BOCCIM as the private

sector spokesorganization and institutionalizing the private/public sector policy dialogue process are the most important aspects of the project. However, BOCCIM's credibility as a spokesorganization for the private sector stems in part from the recognition by the GoB that BOCCIM represents small enterprises as well as large and medium businesses. BPED is therefore helping BOCCIM to develop its capacity to provide services which respond to member needs and to grow into a self-sustaining organization capable of maintaining a large, active membership.

Therefore, while the goal of the BPED project will not change, the project will be streamlined to focus on: i) increasing the effectiveness of policy dialogue between the private and public sectors to improve the enabling environment affecting private sector expansion and ii) ensuring BOCCIM's sustainability by strengthening its capacity to provide services to citizen entrepreneurs. The project will no longer focus directly on increasing domestic and foreign private investment after September 1995, but efforts to improve the enabling environment through policy dialogue will ultimately lead to increased investment and employment in non-mineral sectors of the economy.

c. Project Activities Which Will Continue Beyond September 1995

BOCCIM commissioned a project-funded Organization Strategy Review to facilitate the development of a strategic plan for improving its effectiveness as an organization and ensuring its financial sustainability. The consultants presented their final report to the BOCCIM Secretariat and Finance and Management Committee, and the BOCCIM Executive Council has formally approved the recommended option for restructuring BOCCIM. The Organization Strategy Review consultants facilitated a workshop for BOCCIM staff at the end of May to ensure that they understood the organization strategy and are committed to achieving BOCCIM's corporate objectives. The consultants will then provide implementation support to: i) determine key performance areas; ii) develop new position descriptions; iii) draw up a performance management system; iv) develop a human resource development plan which identifies possible training courses to overcome skills gaps; and v) revise the budget in light of the operational plan. BPED will assist BOCCIM in implementing various aspects of the operational plan between now and September 30, 1996.

BPED will support the policy dialogue process through September 1996 by: i) continuing to provide a long-term Policy Advisor to BOCCIM; ii) continuing to build the capacity of BOCCIM to formulate and articulate credible policy positions; iii) providing short-term technical assistance in critical policy areas; iv) providing resources to ensure that the HLCC is an effective mechanism for dialogue between the private sector and the GoB; and v) assisting BOCCIM generally in lobbying for the implementation of policy recommendations.

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Resources from the BPED project have contributed significantly to MCI's capacity to conduct serious policy analysis and engage in dialogue with the private sector. As a result, the MCI Policy Advisor, who completed his contract in December 1994, will not be replaced with another long-term advisor. However, MCI still needs strengthening in the area of policy implementation, and the Policy Advisor will return to MCI on an intermittent basis during Fiscal Year 1995 to assist his counterpart in further strengthening MCI's advocacy role on behalf of the private sector. Should MCI continue to require assistance in the analysis and implementation of specific private sector policy reforms beyond September 1995, the necessary consultancies will be procured through BOCCIM, or MCI may solicit other donor assistance to obtain the services of a long-term advisor.

Because BOCCIM's credibility as the voice of the private sector depends upon the continued membership of small and medium enterprises, BPED will continue to assist BOCCIM to broaden opportunities for citizen entrepreneurs. Although the long-term BOCCIM Business Management Advisor will complete his contract in August 1995, BOCCIM will continue to require short-term technical assistance to develop cost-effective delivery programs for the small business sector. The BOCCIM Organization Strategy Review has provided a framework for such assistance.

d. Project Activities to be Phased Out by September 1995

In order to ensure that sufficient financial resources are available to undertake the above high-priority activities, the following components of the BPED project will be scaled back or phased out by September 1995, and the funds reprogrammed accordingly.

Long-term international training will be discontinued once the one remaining participant has completed her program. Short-term international and regional training will be scaled back to focus on strengthening the capacity of the implementing entities to conduct policy analysis, engage in policy dialogue, or provide services to BOCCIM members. The BOCCIM Training Officer, who has benefitted from several years of USAID assistance, requires only minimal support from an advisor. However, the BOCCIM Training Department may continue to require technical support in specific areas, including implementation of Organization Strategy Review recommendations pertaining to the delivery of sustainable training services by BOCCIM. A Training Consultant will be identified to provide these services on an intermittent basis.

Direct assistance to BDC will cease by September 1995. The long-term Management Assistance Advisor's contract ended in January 1995. His counterpart and her staff have the capacity to provide management assistance to BDC portfolio companies with minimal support. Between now and September 1995, assistance will be limited to short-term consultancies and training to further strengthen the capacity of the Industrial

Division to monitor the performance of BDC portfolio companies.

Currently approved and ongoing investment promotion activities will be completed, but new activities will only be approved if they contribute to strengthening BDC's internal capacity to promote investment. Similarly, feasibility and expansion studies, business linkage activities, and on-site pre-production training will be phased out. BDC has the technical capacity and financial resources to conduct such activities without BPED support beyond September 1995.

Assistance to BDC in several critical areas will be accelerated between now and September 1995. A BPED intermittent Divestiture Consultant is currently assisting BDC to implement its divestiture strategy (which resulted from a BPED-funded study), and BPED will provide additional technical assistance and training in support of the divestiture program. Technical assistance will be provided to assist BDC in setting up a Venture Capital Fund, and further support will be provided to BOCCIM and BDC to jointly undertake a study to assess Botswana's potential as a financial services center and to follow up on the recommendations of the Foreign Exchange Control Liberalization study and the CIU project. The BDC Special Projects Advisor will continue to provide technical support to these critical financial sector policy initiatives through August 1995.

e. Project Implementation and USAID Oversight

Once the D&T contract ends in September 1995, BOCCIM will assume increased responsibility for managing funds and coordinating logistics in support of project implementation. BOCCIM has effectively managed and accounted for funds under its Cooperative Agreement with USAID and has assumed an increasing role in the design, implementation and management of project activities. BOCCIM further demonstrated its grant-worthiness when it was contracted by the Center for International Private Enterprise to manage a project which was designed to strengthen the institutional capabilities of other chambers of commerce in the region. BOCCIM also has experience with managing hard currency accounts in Botswana and in Sweden under the SWEDECORP program.

It has long been planned that during the last 18 months of the project the implementing entities would operate more independently as grantees, without the support of a prime contractor. Built into the D&T contract was the requirement to strengthen BOCCIM's capacity to act as an independent grantee. Following the BOCCIM Organization Strategy Review Workshop in mid-January, D&T submitted a detailed workplan to USAID specifying how it will assist BOCCIM to develop the capacity to implement donor-funded activities without a prime contractor, and this plan is now being implemented.

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The existing BOCCIM Cooperative Agreement will be amended to transfer most of the reprogrammed project funds and responsibility for project management to BOCCIM. BOCCIM will

contract for any required technical assistance directly, including the services of a long-term Policy Advisor. As part of its workplan for developing BOCCIM's capacity to manage and coordinate project activities, D&T will assist BOCCIM to develop a procurement policy and procedures which will be reviewed and approved by USAID. BOCCIM will be required to give preference to U.S. sources of technical assistance before procuring services from other sources.

The PIC will continue to meet regularly to discuss project implementation issues and approve activities for funding under the project. The USAID Project Manager (a US PSC) will continue to monitor the project after September 1995 under the direct supervision of a designated RCSA officer.

3. Action Plan for Redesign

a. Project Paper Supplement

A BPED Redesign Plan has been developed in collaboration with the BPED implementing entities and forms the basis for the draft Project Paper Supplement, which is currently being reviewed by the Regional Legal Advisor (RLA). The RLA is also assisting by: i) commenting on the IIE; ii) revising the statutory checklist; iii) commenting on PD-20; and iv) amending the project authorization. A memorandum for the Mission Director's signature has been prepared to formalize the modifications to the Project Paper.

b. Amendments to Project Grant and Subsidiary Agreements

Following formal approval of the Project Paper Supplement by the Mission Director, the Project Grant Agreement will be amended. The revised amplified project description and financial plan will be based on the project description and budget plan prepared for the Project Paper Supplement. The RLA will assist in drafting the Project Grant Agreement amendment, and, following a review by USAID/Botswana, MFDP and the implementing entities, the Project Grant Agreement will be formally amended.

The BDC Grant Agreement will be amended to reflect the termination of direct assistance to BDC after September 1995. Since BDC has not used its local currency budget under its Grant Agreement, these funds will be reprogrammed prior to September 1995 to support BDC initiatives in the area of financial sector development.

Major revisions to the BOCCIM Cooperative Agreement will be required to reflect BOCCIM's increased role in project management after September 1995. Since BOCCIM will be contracting directly for technical assistance beyond that date, a mechanism will have to be established for making foreign currency payments, and separate foreign currency and local currency budgets will have to be developed. Many of the functions currently undertaken by D&T will be handled by BOCCIM after September 1995, and the amendment to the Cooperative Agreement must reflect these increased

responsibilities. The BOCCIM procurement policy mentioned above must be approved by USAID prior to amending the Cooperative Agreement.

c. D&T Contract Modification and Close-out Actions

Although the D&T contract expires on September 30, 1995, it will be modified to reflect budget realignments that have resulted from the decision to streamline the project. The Project Manager has been working with the BPED Technical Coordinator on proposed contract modifications and supporting details, and the contract will be modified shortly. A detailed plan for closing out the D&T contract is being finalized, and many aspects of this plan are already being implemented.

d. Revised Personnel Schedule

The MCI Policy Advisor has already departed Botswana, and the BDC Management Assistance Advisor completed his contract at the end of January. The contracts of the BDC Special Projects Advisor and the BOCCIM Business Management Advisor will be extended through August to facilitate a smooth transfer of responsibilities to their counterparts. The BPED Chief of Party will remain at post until September 30, 1995 to close out the D&T contract.

The BOCCIM Policy Advisor position will be continued through August 31, 1996. BOCCIM will have to contract directly with a qualified technician or a consulting firm to retain these services beyond September 1995. Since the current Policy Advisor has decided not to renew her contract, BOCCIM will need to begin recruitment for a replacement as soon as possible, and discussions have already been initiated with DAI.

LONG-TERM CONTRACTOR PERSONNEL	
Position Title	Departure Date
MCI Policy Advisor	December 8, 1994
BDC Management Assistance Advisor	January 27, 1995
BDC Special Projects Advisor	August 31, 1995
BOCCIM Business Management Advisor	August 31, 1995
Chief of Party	September 30, 1995
BOCCIM Policy Advisor	August 31, 1996

While the MCI Policy Advisor and BOCCIM Training Advisor have completed their contracts, both MCI and BOCCIM have indicated that they would like to continue to utilize their services on an intermittent consultancy basis between now and September 1995. Similarly, the BDC Divestiture Consultant will continue to provide intermittent assistance through September 1995.

SHORT-TERM ADVISORY PERSONNEL	
Position Title	Period of Service
BOCCIM Training Advisor	completed advisory services 12/94
BOCCIM Training Consultant	60 days between 2/95 & 9/95
MCI Policy Consultant	60 days between 2/95 & 9/95
BDC Divestiture Consultant	132 days between 12/94 & 9/95

e. Revised Financial Plan

A comprehensive project financial review is underway and will provide the basis for developing a detailed financial plan. The review includes projections of expenditures by budget line item through September 1995 based on currently approved and probable activities between now and then. Budget line items will have to be redefined to reflect changes in project design. Once the project paper amendment has been approved and a detailed implementation plan developed, expenditures through September 30, 1996 will be projected. A Project Financial Review meeting will be called to discuss and reach consensus on the detailed financial plan.

The BPED automated financial management system will have to be revised to reflect the modified financial plan and to improve financial monitoring and analysis of project expenditures and funding requirements. The Project Manager will work with the implementing entities to establish and/or improve systems for tracking and reporting on counterpart contribution. Although direct assistance to MCI and BDC will cease after September 1995, these institutions are likely to continue to play an important role in project implementation and their contribution to the project will continue to be measured.

BPED OBLIGATIONS AND EXPENDITURES
 Worksheet updated 5/1/95, * = projected

(\$ 000)

	FY 91	FY 92	FY 93	FY 94	*FY 95	*FY 96	Total
I. BPED OBLIGATIONS							
BOCCIM	287	1,050	800	500	1,313	0	3,950
BDC	50	100	50	25	(225)	0	0
IESC	140	0	0	0	(125)	0	15
COMMODITIES	122	0	50	25	(65)	0	132
PROJECT MANAGEMENT	151	110	100	150	(75)	0	436
PRIME CONTRACT	1,200	2,790	875	2,348	650	0	7,863
EVALUATION AND AUDIT	0	0	100	25	175	0	300
CONTRACT SUPPORT	50	150	125	125	0	0	450
CONTINGENCY	0	0	0	0	0	0	0
TOTAL OBLIGATIONS	2,000	4,200	2,100	3,198	1,648	0	13,146
II. BPED EXPENDITURES							
BOCCIM	42	330	553	685	800	1,540	3,950
BDC	0	0	0	0	0	0	0
IESC	0	0	0	0	15	0	15
COMMODITIES	50	45	37	0	0	0	132
PROJECT MANAGEMENT	0	75	34	72	110	146	436
PRIME CONTRACT	0	444	1,931	2,847	2,341	300	7,863
EVALUATION AND AUDIT	0	0	0	0	0	300	300
CONTRACT SUPPORT	45	67	67	88	100	82	450
CONTINGENCY	0	0	0	0	0	0	0
TOTAL EXPENDITURES	137	961	2,622	3,692	3,366	2,368	13,146
PIPELINE	1,863	5,102	4,581	4,086	2,368	0	0

USAID/BOTSWANA
TRANSITION PLAN
ATTACHMENT D

Basic Education Consolidation (BEC) Project
Close-out Plan

1. Project Description and Current Status

a. Basic data

Project Number	633-0254
Original PACD	March 30, 1997
Revised PACD	September 30, 1995

Financial Status

Original LOP Funding Level	\$12,600,000
Cumulative Obligations	\$6,950,000
Planned FY 1995 Obligation	0
Revised LOP Funding Level	\$6,950,000
Cumulative Accrued Expenditures as of 12/31/94	\$2,893,518
Projected Expenditures Through FY 1995	\$6,409,631

Implementing Agencies

Government of Botswana
Prime Contractor

Ministry of Education
Academy for Educational Development

b. Project Description

The purpose of the Basic Education Consolidation Project (BEC) is to assist the Ministry of Education (MOE) to plan, implement and evaluate an integrated, consolidated and coordinated ten years of basic education. BEC builds upon the achievements of two former USAID projects, the Primary Education Improvement Project (PEIP) and the Junior Secondary Education Improvement Project (JSEIP), which were instrumental in bringing about major advances in the access to and delivery of quality basic education programs in Botswana. The BEC project assists the Ministry of Education to strengthen basic education services that include establishing a process which integrates curriculum development, the instructional program, teacher training and student assessment elements into a delivery system for the benefit of teachers and students. Therefore, the BEC project will result in increased student competence and lay a foundation for graduates to participate in the labor force and enhance their quality of life.

It was understood that the BEC project was to be the last USAID-funded project in education. Since the problem of access to primary and junior secondary education has been resolved, BEC was to focus on quality and equity issues. The project strategy is to strengthen basic education services by establishing a process that integrates the instructional program, teacher training and student assessment elements.

The BEC delivery system includes the following:

- a. A revised philosophy of education that focuses more strongly on problem solving, innovations and the world of work.
- b. The provision of revised instructional content and methodological services in curriculum development, to meet the needs of a changing Botswana environment from pastoral to industrial.
- c. The implementation of the aforementioned services through curriculum trialing, pre-service teacher education and in-service teacher training.
- d. A revised student assessment system through the replacement of norm referenced testing with criterion referenced testing and continuous assessment.
- e. An improved administrative structure within the Ministry of Education to sustain the basic education system.
- f. The procurement of commodities which will permit the two departments responsible for the implementation of the BEC Project, Curriculum Development and Evaluation (CD&E) and Teacher Training and Development (TT&D) to work with greater efficiency and effectiveness.
- g. Teacher training through in-country workshops (using the multiplier effect) and formal pre-service education to familiarize teachers with the new curriculum which focuses on innovations, problem-solving and the world of work.
- h. A new and expanded curriculum including subjects such as AIDS awareness, environmental education, gender issues and the world of work.
- i. An increased emphasis on guidance services to enhance the instructional program and assist students/teachers in choosing appropriate vocational and career paths.
- j. The provision of project advisors to assist the MOE achieve the jointly agreed upon educational goals.
- k. The provision of short-term consultants to focus on identified special issues and special studies.
- l. Participant training, both long-term and short-term, to strengthen the capability of the MOE to improve educational services.
- m. The development of a Basic Education Implementation Committee as a basic education communication channel that includes representatives of the College of Education, University of Botswana, Department of Secondary Education,

Department of Primary Education, Department of Technical Education and the Department of Non-Formal Education.

n. Collaboration with international donors involved in basic education such as U.S. Peace Corps, British Overseas Development Assistance (ODA), UNICEF and the Dutch Educational Assistance Program in Math and Science (INSET).

o. The establishment and functioning of standing committees to help guide project implementation. These committees include the BEC Steering Committee (reference group), the Participant Training Committee, and the Basic Education Implementation Committee.

p. Quarterly retreats for the BEC Team (advisors and their MOE counterparts) that offer project units or divisions an opportunity to examine their progress in basic education and seek areas appropriate for collaboration.

2. Impact of Early Termination:

The close-out summary included here presents a "bare bones" plan developed in collaboration with project advisors and their Botswana colleagues. Some activities will be accelerated, some reduced, and others have been deleted.

Many of the project outputs will have been accomplished prior to September 1995, e.g. approximately 5,000 of the 9,772 primary teachers will have been trained to use CRT testing procedures, the curricula of the secondary colleges of education will have been revised to address the 3-year Junior Certificate program, and a computer network system will have been installed in the In-service Teacher Training Centers, Pre-service Teacher Training Colleges and the MOE Departments of TT&D and CD&E. However, the institution building element, since it is a continuous process, requires more time for the training of local staff, revising the assessment of curriculum and refining the systems to institute them. Although curriculum products, such as production of teacher and student texts are important, the curriculum process that usually precedes the product is equally important and requires an adequate development phase and constant monitoring. Strengthening of the curriculum development and implementation process is also complex. The curriculum development process involves the design of course syllabus, student texts and teacher guides; trialing and revising the course material in pilot schools; evaluating and revising the materials and finally turning the revised curriculum material over to the materials production section of the Ministry to produce the supporting materials. The Ministry materials are adopted, published and then distributed to schools. By September 1995, the six core subject syllabuses for junior secondary will have been revised and published. However, syllabuses for other subjects will not have been developed, field tested or published. Additionally, curriculum materials need to be

piloted several times in classrooms before they are ready for publication. This process will be severely affected by truncating the project, and the originally envisioned institutional building process will not be completed.

New or revised curriculum materials and associated teacher's manuals are not used in the classrooms unless there are in-service follow-ups. The in-service training is the last step of the curriculum development process and could have assured that the ten years' of basic education curriculum would have been consolidated for Primary and Junior Secondary education. Unfortunately, the new curriculum that is being developed by the curriculum development division will not reach the In-service Teachers Training division prior to September 1995, after the project is scheduled to terminate. The following is a description of the impact of the early termination on each of the BEC components:

a. Criterion Referenced Testing (CRT) System as Part Classroom Instruction

Significant progress has been achieved in training and implementing criterion-referenced testing in the classroom. All Standard 5 teachers and a large portion of head teachers have been trained in the development and use of CRTs during the 1994 school year. Additionally, regional education officers, senior education officers, principals of teacher training colleges, teacher advisors, etc. were trained in criterion referenced testing procedures. 1,846 or about 18% of the total primary school teachers and MOE personnel have been trained in CRT. The training of the remaining number of primary school teachers, on a national scale, will start in April 1995, using a core of about 500 trainers and resource persons. During 1995, all Standard 6 teachers will receive instructions in CRT administration and management. By the end of 1995, 5,000 teachers out of a total of about 9,772 primary school teachers, will have received CRT training. Standard 7 and the junior secondary teachers will not have received training in CRT prior to BEC termination, and the MOE in-service personnel will be responsible to complete this training program for the upper grades.

b. Change from Norm Reference to Criterion Reference Examinations

In 1997 the Primary School Leavers Exam (PSLE) is to become a diagnostic criterion referenced examination. Beginning March 1995, the Examinations, Research and Testing Division (ERTD) will start the process of developing and implementing plans for a trial criterion referenced PSLE to be administered in 1996 in preparation for the actual examinations in 1997. Sufficient guidance by the BEC advisors in the preparation and implementation of CRT will be provided prior to September 1995 to enable the ERTD to carry out the implementation process beyond the completion of BEC. Therefore, if implementation progresses without incident, there will be no negative impact

on this component as a result of early project termination. However, if any unforeseen difficulties arise during this complex process, the BEC advisors will be unavailable to provide follow-up assistance.

c. Continuous Assessment (CA) Component

For the effective implementation of both criterion referenced testing and continuous assessment, the Criterion Referenced Implementation Committee of the MOE has decided to delay work on Continuous Assessment until all In-service and Pre-service teachers have been trained in Criterion Reference Testing, (CRT and CA are both BEC project assessment outputs). Initially, the MOE planned to implement both CRT and CA simultaneously. However, since both CRT and CA are extensive and complex subjects, the decision was made to focus on CRT and then continue with the CA implementation in 1996. The decision to defer CA was necessitated by the shortage of staff resulting from the simultaneous placement of all 24 long-term participants resulting in a temporary shortage of critical personnel. This concern is further discussed in section j below. Without CA results, student performance reports will not be available for potential employers or higher education centers.

d. Special Subject Areas and their Training Programs

The special subject areas (AIDS awareness, environmental education, gender issues, the world of work, guidance and career counselling) are all being integrated into existing subject curriculum at all grade levels. At this time, AIDS awareness has been trialed in six schools and the findings are currently being analyzed. Video tapes specific to Botswana-related environmental concepts will be distributed to schools as a means of extending current efforts in environmental education. The world of work will affect the instructional programs in all Standards and Forms as the Ministry plans to revise all of the curriculum (publishing new textbooks) for all grade levels. Gender issues are receiving special attention in the area of career guidance and curriculum materials. Although the aforementioned subjects are not new to the MOE, the special curriculum treats the subject in a more comprehensive manner than in the past (e.g. environmental education). However, some topics are new or have been completely revised and will require significant trialing before being adopted (e.g. AIDS awareness). It was planned that the curriculum advisor would assist with the infusion and trialing of the revised special subject areas. However, with the termination of the project, implementation may take longer and if difficulties arise, the BEC advisor will be unavailable to provide the assistance.

e. Basic Education Curriculum Development Process

With the release of the Revised National Policy on Education, English is to be the medium of instruction from grade two onward. By September 1995, curriculum plans should be developed. However, a significant amount of curriculum development and in-service training will be required to implement them. Although this process would have been started during the later stages of the project, the early termination has forced the MOE to defer the completion of the testing of the curriculum and training of teachers in the use of the curriculum until 1997. With the limited time remaining in the project, the MOE has prioritized its list of BEC assisted outputs and has ranked other activities higher.

Several curriculum subjects are scheduled to be revised and trialed in 1996 (e.g. Art, Grades 1 - 7; Home Economics, Grades 5 - 7; English, Grades 1 - 7; Math, Grades 5 - 6; Science, Grades 5 - 6; Social Studies, Grades 1 - 9, and Agriculture 5 -7). New courses for Grades 8 - 10 are to be designed and implemented such as computer courses and an infusion of world of work concepts.

Curriculum assessment procedures will be developed by September 1995. However, data (from the revised CRT examinations) needs to be collected over several years to establish benchmarks and trends. The CRT examination feedback results are scheduled to begin in 1996 and generally several additional years are required to complete the collection process. Reliable revisions of curriculum materials can only take place once that information is made available to the curriculum developers. Since curriculum assessment procedures, using CRT examination results, are being pioneered for the first time, it would have been best had the advisors assistance continued until the original PACD. With the project terminating in September 1995, the curriculum and assessment advisors can only provide the education officers with guidelines pertaining to the curriculum assessment process and assume that everything continues according to plan.

f. The Three Year Junior Secondary Curriculum

The National Commission's Report that was released March 9, 1994 mandates 10 years of Basic Education, 7 years of primary and 3 years of junior secondary. (The 2 years of senior secondary are currently not included in the definition of basic education.) The 10 year curriculum redesign will be in mid-course by the close of the project and could have benefitted greatly from the continued expertise of expatriate advisors after September 1995. In the initial project design, the basic education curriculum was being designed for grades 1 - 9. However, with the policy change, the revised curriculum must now include an additional year. It was always understood by the Mission and the MOE, that project assistance was to consolidate primary and junior secondary levels, regardless of 2 or 3 years of junior secondary education. Although the

redesign warrants significant training of personnel, as new positions are created or changed, there is not sufficient time remaining to complete that training.

The three year junior secondary curriculum includes greater emphasis on the special subject areas such as the world of work, career guidance and counseling, health and AIDS awareness, gender sensitivity and environmental education. The integration of these special topics into the current core subjects require skilled analysis, planning, design, testing and administration. Although six of the eight core subjects will be implemented during the 1995/96 school year, the development of two core subjects, the general studies courses and the practical studies courses will be delayed until 1996 - 1998. The MOE delayed the implementation of these core subjects as a result of having to accelerate the participant training program. This resulted in sending a large number of educational officers for long-term training simultaneously and thereby leaving the two departments without sufficient staff.

g. Pre-service Teacher Training Process

By September 1995, the curriculum assessment of the degree program should be completed and by December, the first class of students will graduate from the Tlokweng Primary Teachers Training College with a three year diploma. Approximately a year later, the MOE plans to evaluate the impact of the pilot program with a comprehensive assessment of the graduates' performance in the classroom. When the assessment process is complete, the MOE plans to replicate the degree program in the four other Primary Teacher Training Colleges. Since the project is terminating early, this conversion to the degree program will be undertaken without the assistance of project advisors during the critical monitoring and assessment stage of the project (1996-97).

h. In-service Teacher Training Process

Continuing throughout 1995 and after, in-service teacher training personnel will train teachers in: (a) Criterion Reference Testing, (b) Continuous Assessment, (c) the revised curriculum of the four strategic areas, and (d) upgrading the teacher's lesson preparation and presentation skills. If implementation progresses without incident, there will be no negative impact on this component as a result of early project termination. However, if any unforeseen difficulties arise during this process, the BEC advisors will be unavailable to provide assistance.

i. Interdepartmental Collaboration

The preparation of the special curriculum subjects that the MOE agreed to incorporate into the public school curriculum will have to be accelerated. The MOE and the BEC advisors are working through the in-service, pre-service and non-formal education systems to reach the 12,000 teachers of Botswana.

However, by September 1995, only a few hundred teachers will have been trained leaving the great majority of teachers without having received specialized training. Furthermore, the truncating of the project will not allow the expertise of the BEC advisors in the follow-up, refinement and revision of the special curriculum.

j. Participant Training Programs

Twenty-four long-term training participants have been selected and placed at eight colleges and universities throughout the United States. These students are studying for Masters degrees in programs such as Educational Measurement, Curriculum Development, Educational Media, Guidance and Counseling, Special Education, Environmental Education, Teacher Training, Linguistics, Art Education, Science Education and Educational Leadership.

Per USAID/W instructions, all long-term training participants must complete their training prior to September 30, 1995. This decision resulted in an acceleration of international training which has consequently contributed to the shortage of personnel in CD&E and TT&D. The aforementioned departments have been left with insufficient educational officers and can only respond to routine work or special priority tasks as identified by the MOE. This personnel shortage has contributed to the reduction of proposed curricular outputs in the two departments. In addition, the education officers in long-term training will not benefit from an overlap or on-the-job training with the BEC advisors when they return to Botswana in August and September 1995.

Of the 24 long-term participants, Seventeen (17) are expected to complete their programs of study prior to September 1995 and Seven (7) participants may not be able to complete their program because of unforeseen circumstances. At the time the students were sent for training in the U.S., they were advised by the BEC Participant Training Committee (PTC) that their programs of study would have to be completed by September 30, 1995. The Ministry of Education was also aware of this caveat, since it has high level representatives serving as members of the PTC. During the BEC Steering committee meetings, it was discussed that, should there be any slippage and extensions were required beyond September 30, 1995, funding would have to come from the Ministry of Education.

Prior to finalizing arrangements for individual participant training programs, the PTC was reassured by the University of Massachusetts, the subcontractor responsible for BEC project training, and the cooperating universities that each planned program of study could be completed by September 30, 1995. In mid May, the Mission was advised by the University of Massachusetts, that seven students will not complete their program by the BEC close-out date. The Mission is discussing various options with the MOE in order to work out a solution which will enable the participants to continue their study

beyond the project's closure. The two options currently being discussed are: i) obtain assurance from the MOE that it will provide the funding for the participants to complete their studies, and ii) obtain agreement from the Ministry of Finance and Development Planning to utilize remaining funds under the Cost Sharing Project to allow the seven BEC participants to complete their degree programs.

k. Student Impact

One can only speculate on the effects of an early BEC close-out on students in general. As a result of truncating the project, implementation of the Revised National Policy on Education (RNPE) may be delayed for the nearly 400,000 pupils enrolled in the public schools. Although the MOE infrastructure is in place to introduce new curricula, the implementation will be at a much slower pace in the absence of project inputs. Undoubtedly, even without the BEC project, the MOE will continue to introduce instructional innovations and other educational improvements. Students will still be taught and teachers will continue to be trained with or without BEC. The key difference will be the absence of the project's technical expertise which would have provided the MOE with more rapid and complete access to new ideas, approaches and technologies, and the speed with which RNPE changes would be implemented. Each advisor has an enhancing influence in assisting the two departments in accomplishing their tasks. When the advisors leave, this resource will no longer be available and no other donor is currently in a position to immediately pick up where USAID left off. (The impact of this in the development process is apparent.) However, the Mission has held meetings with ODA to explore the possibility of continuing assistance in some areas where BEC was active, and further meetings with MOE staff and the Minister regarding the truncation of BEC and its impact will be held.

1. Project Commodities

The commodities (computers, printers, photocopiers, professional books, audio visual materials and production materials) that were authorized by USAID in November started to arrive during the second week of December 1994. The installation of the equipment continued through the month of December and training of the MOE staff in the use of computer equipment began in February 1995.

The procurement of these project commodities will improve the MOE officers' productivity in developing curriculum and training materials in the CD&E and TT&D Departments. The commodities will replace obsolete computer equipment, thereby making curriculum materials easier to develop and disseminate.

The Academy for Educational Development (AED), the prime Contractor, is currently inventorying the commodities purchased with BEC funds. The inventoried list will be

distributed to the Mission and the MOE. During the first week of September, all project commodities will be formally turned over to the MOE. Therefore, there will be no negative impact on this component.

m. Government and Ministry of Education Impact

The original BEC project design required a five year implementation period. However, because of delays in selecting a prime contractor and the delays in fielding the BEC advisors, the project was essentially reduced to four years. The truncation of the project has now reduced the implementation phase to two years nine months from the original five year project. The original five year design of the project should have been maintained and possibly extended an additional one year to effectively implement the project. The truncation of the project has diminished somewhat the heretofore excellent relations we have enjoyed within the MOE. Specifically, our explanations notwithstanding, several dedicated senior education officers with whom we have enjoyed a close, long-term relationship, have expressed disappointment in our decision to "renege" on our long-term commitment of developing an effective basic education system in Botswana. After so many years of close collaboration, their disappointment is understandable, and we have actively tried to overcome it, with some success. Their dedication and energy in maximizing the benefits of BEC prior to termination has been impressive.

3. Actions Required to Terminate Project:

- a. Project Grant Agreement Amendment - The Project Grant Agreement will have to be amended to reduce the life of the project funding, and the PACD. A revised financial plan will be included in the amendment.
- b. AED Contract Amendment - The RCO has been requested to amend the existing contract. The terms of the contract will be shortened, their level of effort reduced and the contract budget revised. Incentives to encourage advisors to remain until their scheduled departure date, so as to maximize project benefits, have been addressed with the Regional Contracts Officer.
- c. Final Evaluation - The final evaluation will be carried out in June-July 1995.
- d. Deobligation of Unused Funds - The truncation of this Project has resulted in the need to deobligate approximately \$0.5 million of unused funds. The Mission will deobligate these funds in July 1995 after the Project Amendment has been executed by the USAID and the GOB.

- e. **Completion Reports - The Project Assistance Completion Report (PACR) will be prepared in September 1995 by the USPSC Project Manager. The Institutional Contractor Completion Report will be prepared by the AED within three months after the Project Assistance Completion Date.**

4. Personnel Departure Schedule

In response to the MOE's concern that as much be accomplished as possible and that activities be accelerated, USAID/Botswana has agreed to augment the BEC team with a project Close-out Coordinator. This will enable the Chief of Party (COP) to dedicate more of his time to technical activities, while delegating most of the administrative functions to the Close-out Coordinator. The individual selected has considerable experience in managing USAID funded projects coupled with having recently closed out a multi-million dollar USAID Education Project in Pakistan. The service of the Close-out Coordinator will be required through the closure of the project. The following departure schedule for the project advisors has been determined in accordance with the schedule of close-out activities discussed below:

- **The In-Service Training Advisor will leave 22-27 July 1995. The Advisor will complete her work and leave at the end of her two year contract.**
- **The Materials Production and Curriculum Development Advisors will complete their work in CDD and leave 15-20 August 1995.**
- **The Pre-Service Teacher Training and Measurement and Testing Advisors will leave 1-5 September 1995. Since there are CRT training workshops planned throughout August at the colleges of education and the in-service teacher training centers, the assistance of both of these advisors is required until that time.**
- **The Chief of Party will depart in July 1995 and the Close-out Coordinator will remain until September 20-25, 1995 to ensure project close-out is completed in a timely and orderly manner.**

5. BEC Close-out Plan Consolidation Activities

- a. **Close-out Consolidation Activities of the Curriculum Development Division (CDD) and Instructional Materials Development Division (IMD)**

November 94-January 95: Develop, review and revise the Curriculum framework (Blueprint) Prototypes

January - August 95: Implement the framework (Philosophy of Education, Basic Education Objectives, Aims of the Ten Year Basic Education Program) by revising the subject syllabuses

January 95: Develop the scope and sequence of each chapter of the Curriculum Development Procedures Manual (CDPM)

February - June 95: Draft the content for each chapter of the CDPM

July - August 95: Produce, publish and distribute the CDPM

November 94 - August 95: Revise and publish the new three-year Junior Secondary curriculum syllabi for English, math, science, agriculture, social studies and Setswana.

November - December 94: Draft a report of the Population/Family Life Education (POP/FLE) Seminar; Develop Position Papers on environmental education and its infusion into the core curriculum subjects and evaluate the newly piloted HIV/AIDS materials.

March 95: Submit a written report to the Permanent Secretary on the initial results of the newly piloted HIV/AIDS curriculum materials.

February - March 95: Develop the objectives and determine the content for the POP/FLE for infusion into the core curriculum subjects.

January - August 95: Develop the objectives and determine the content for infusing HIV/AIDS into the curriculum.

February - August 95: Revise the syllabi of the core curriculum subjects with the infusion of POP/FLE and environmental education.

b. Close-out Consolidation Activities of The Examinations, Research and Testing Division (ERTD)

The Student Assessment close-out component consists of two parts: 1) training all primary and secondary teachers in Criterion Referenced Testing (CRT) and Continuous Assessment (CA); and 2) changing the present norm referenced examinations system (PSLE and JCE) to a CRT examination system.

Close-out training activities will focus on: 1) strengthening the capacity of trainers in the field; 2) working with the 500 core staff of trainers and resource people for the national training program; and 3) initiating a training program aimed at the junior secondary level teachers.

The fourth draft of the CRT training handbook has been completed and the final version should be ready for publishing by May 1995. Using the multiplier effect training strategy, In-service Teacher Training Officers are instructed in educational techniques, skills or knowledge and then pass on this information to classroom teachers who in turn instruct other teachers in their schools. Over 12,000 Botswana teachers are expected to benefit from this system. Training of trainers workshops have been initiated with education officers, teacher advisors, university faculty and the staff of teacher training institutions.

Based on the conclusions of the two year CRT pilot project, involving 41 pilot schools from 17 education districts, the MOE has decided to expand the CRT training of primary school teachers nation-wide. The following schedule lists the remaining CRT activities to be implemented prior to the project close-out:

November - December 94: Develop a CRT activity schedule for the Primary School Leavers Examination (PSLE) and the Junior Certificate Examination (JCE).

November 94 - August 95: Develop an item bank of questions in order to generate examinations.

November 94 - March 95: Select and develop uniform titles for learning behaviors for diagnostic CRT test questions.

January - April 95: Develop the test blueprints and examination plans for PSLE subjects.

Develop the grading and reporting formats of the CRT examination results.

Coordinate joint activities between CRTIC and CDD for the development of

profile dimensions, to be used as testing and scoring units; develop test blueprints for the five core PSLE subjects; and coordinate with CDD in the establishment of performance standards for the award of grades A, B, C and D.

January - May 95:

Develop an exam marker evaluation system.

Determine the type of statistical information needed to be generated for the CRT scoring system.

January - August 95:

Revise the CRT examination manual for test administration procedures.

February 1995:

Train Educational Research Testing Division (ERTD) staff in advance educational measurement skills for CRT and CA.

March - June 1995:

CRTIC In-service Officers and consultants will coordinate the training of 350 additional resource educational officers to assist in the training of about 8,000 additional primary teachers.

March - August 1995:

Establish teams of educational officers to monitor and validate test items.

Design and install computer software for the processing of CRT examinations.

April - July 95:

Coordinate ERTD and CDD efforts in establishing the format and the content of annual technical reports to be submitted to the CDD advisor review panels.

April - August 1995:

Assist the CRTIC committee in drafting computer mainframe test scoring procedures.

Install software for computerized item bank and test generation system.

Revise and distribute to teachers the procedures for writing school examination reports.

c. Close-out Consolidation Activities of Pre-service Teacher Education

November - December 94: Establish a joint Pre-service and In-service committee to increase coordination, consultation and communication among and between the various MOE units, e.g. teacher training colleges, in-service teacher training centers, etc.

January - April 1995: Conduct formative evaluations of the Primary Pilot Diploma program in order to document progress and lessons learned. The evaluation results will establish the basis for offering similar programs to serving teachers.

Produce and distribute the Management Manual to the teacher training colleges.

January - June 95: Conduct the Primary Teacher Effectiveness Study in primary school classrooms.

February - June 95: Develop a computer database system, for the Department of TT&D, that links teacher training colleges and teacher training in-service centers.

March - August 95: Revise the 3 Year Junior Certificate curriculum for Colleges of Education.

April 95: Recommend the necessary changes for adoption of a three year diploma program in the four teacher training colleges.

April - July 95: Conduct computer awareness training workshops for college lecturers and develop a basic skills computer curriculum for the two colleges of education.

June - July 95: Install an "Evaluation and Management System" (EMS) in the colleges that link to the Department of TT&D.

June - August 95: Revise the three year Pilot Diploma curriculum for adoption into the remaining TTCs.

d. Close-out Consolidation Activities of In-service Teacher Education

November - December 94: Review the current structure of the primary and secondary in-service delivery systems in Ghanzi. (All other In-service centers have completed the review process).

November 94 - August 95: Establish a coherent career ladder for in-service officers.

November 94 - Sept. 95: Coordinate in-service training activities for teachers within other MOE departments, e.g. curriculum revisions, continuous assessment and CRTs.

Develop a consolidated in-service policy which clearly specifies structure, roles, responsibilities and standards.

April 95: Develop an annual in-service calendar planning exercise which includes both primary and secondary in-service activities and those of other relevant MOE departments.

BEC PROJECT CLOSE-OUT BUDGET

Budget Line Item	Cumulative Obligation	Cum. Exp. (12/31/94)	Pipeline (12/31/94)	Cum Est. Exp. through (9/30/95)	Pipeline (9/30/95)
Technical Assistance	5,488,000	2,423,025	3,064,975	5,488,000	0
Special Studies	200,000	0	200,000	0	200,000
Project Monitoring	350,000	106,311	243,689	256,631	93,369
Audits/Evaluation	250,000	0	250,000	150,000	100,000
Contract Support *	440,000	364,182	75,818	515,000	0
Contingency *	222,000	0	222,000	0	147,000
TOTALS	6,950,000	2,893,518	4,056,482	6,409,631	** 540,369

* \$75,000 which was allocated under the Contingency line item was transferred to the Contract Support line item.

** Approximately \$540,369 should be available for de-obligation due to the early termination of the project.

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Attachment E - Personnel Table

Set forth below is a table showing the estimated departure dates of all USDH, DH, TCN and contract personnel employed by USAID/Botswana. (See Section IV.A.2 for FSN plan)

Category	Name	Title	ETD
Direct Hire			
U.S.	Howard R. Handler	Director	9/95
	David H. Mandel	Assist. Dir.	2/95
	Raymond Baum	Gen. Devel. Off.	6/95
	Alan Gordon	Controller	4/95
	Robert McColaugh	Ag/Nat. Res. Devel. Off.	9/95
TCN	Pushkar Brahmhatt	Assist. PDO	9/95
EXO/Cont PSCs			
U.S.	John Garney	Executive Officer	9/95
	Frank Gussenhoven	Gen. Services Off.	9/95
	Semeon Sertsu	Systems Admin.	9/95
TCN	Sunil de Silva	Asst. Controller	9/94
Project Funded			
<u>Botswana Population Sector Assistance Project (BOTSPA) 633-0249</u>			
USPSC	Scott Stewart	Project Manager	9/96
PSI	John Harris	Res. Rep.	11/95
Cambridge	William Guy	FP Trg. Advisor	9/96

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<u>Botswana Private Enterprise Development Project (BPED) 633-0253</u>			
USPSC	Marcia Musisi-Nkambwe	Project Manager	9/96
Deloitte & Touche	Amy Richwine	Chief of Party	9/95
	Charles St. Clair	BDC Mgt. Assist. Adv.	1/95
	Bud Eaton	BDC Spec. Proj. Adv.	8/95
	Wayne Meyers	BOCCIM Bus. Mgt. Adv.	8/95
	Richard Wolfe	MCI Policy Advisor	12/94
	Ann McDermott	BOCCIM Policy Advisor	8/95
BOCCIM Grant	Vacant	BOCCIM Policy Advisor	8/96
<u>Basic Education Consolidation Project (BEC) 633-0254</u>			
USPSC	Edward Hantel	Project Manager	9/95
AED	Murray Simon	Chief of Party	7/95
	Johnson Oharo	Pre-Service Teach. Trg. Adv.	9/95
	Kofi Quansah	Measurement & Testing Adv.	9/95
	Jerald Reece	Curriculum Devel. Adv.	8/95
	Barry Vogeli	Materials Production Adv.	8/95
	Donna K. LeCzel	In-Service Teach. Trg. Adv.	7/95
	Close-out Coordinator	Close-out Coordinator	9/95
<u>Natural Resources Management Project (NRMP) 690-0251.33</u>			
USPSC	Paul Bartel	Project Manager	8/97
Chemonics	Nicholas Winer	Chief of Party	8/97
	Michael Hickey	Administrative Assist.	8/97

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	Richard Hartley	Resource Economist	8/97
	Jack Reed	Environmental Education Adv.	3/95
	Spud Ludbrook	Community Extension Adv.	8/97
	Jonathon HaBarad	Rural Sociologist/Community Liaison Adv.	8/97
	John Hazam	Community Extension Adv.	8/97
	Michael Painter	Monitoring & Eval. Adv	6/97
	Peter Hancock	BWTI Instructor	12/96
	Donald Campbell-Thomson	BWTI Principal Advisor	12/96
	Frank Potts	BWTI Instructor	12/96
	Vacant	Non-Formal Educ. Adv	6/97
	Gary Clark	Human Res. Devel. Adv.	6/97
U.S. NGO	Dan Walz	NGO Coordinator	8/97
<u>Regional Agricultural Research Coordination Project (SACCAR) 690-0225</u>			
^{1/} TCN Non-PSC	Ananda	Impact Evaluation Adv.	6/95

^{1/} Will be contracted directly by SACCAR after June 1995.

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