

PROJECT APPRAISAL REPORT (PAR)

Reference Center

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1. PROJECT NO. 596-13-770-024	2. PAR FOR PERIOD: May 1969 TO Feb. 1971	3. COUNTRY ROCAP	4. PAR SERIAL NO.
5. PROJECT TITLE			

BUSINESS ADMINISTRATION

6. PROJECT DURATION: Began FY 67 Ends FY 74	7. DATE LATEST PROP Dec. 18, 1970	8. DATE LATEST PIP --	9. DATE PRIOR PAR May 1969
10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 247,000	b. Current FY Estimated Budget: \$ 375,000	c. Estimated Budget to completion After Current FY: \$ 465,000

11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME Harvard University	b. CONTRACT, PASA OR VOL. AG. NO. Contract AID/1a-472
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I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
X		X	1) Preparation of base line data on MBA student placement, performance, skill requirements of business, tuitions, etc.	1) June 1971
X		X	2) Intensive replanning to determine if (a) phase-out should take place despite impending failure to reach EOPS, (b) extension of AID support is justified to reach EOPS at a later date, (c) change in project purpose and EOPS is warranted considering INCAE long range financial forecast versus current financial situation.	2) June 1971
		X	3) INCAE prepare realistic management plan (with projections) through grant period.	3) June 1971
X			4) Answer to long-term development proposal and financial projection to INCAE.	4) May 1971
X		X	5) Determine reasonable endowment fund level by end FY-72.	5) May 1971
	X		6) Review by AID/TA Bureau of student loan guarantee mechanism for possible use in other USAID Missions.	6) June 1971

D. REPLANNING REQUIRES

REVISED OR NEW: PROP PIP PRO AG PIO/T PIO/C PIO/P

E. DATE OF MISSION REVIEW: **April 1971**

PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE: **J. Glenn Coombs, C/HRD**

MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE: **Oliver L. Sause, Director**

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BUSINESS ADMINISTRATION

6. PROJECT DURATION: Began FY _____ Ends FY _____		7. DATE LATEST PROP	8. DATE LATEST PIP	9. DATE PRIOR PAR
10. U.S. FUNDING	a. Cumulative Ob' gation Thru Prior FY: \$	b. Current FY Estimated Budget: \$	c. Estimated Budget to completion After Current FY: \$	
11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)				
a. NAME			b. CONTRACT, PASA OR VOL. AG. NO.	

I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
X		X	7) Review graduate level curriculum for degree of compatibility with regional undergraduate preparation.	7) September 1971
X		X	8) Review use of case study methodology in other advanced level educational institutions.	8) September 1971
X		X	9) Review progress on generating consulting contracts that might accrue a financial benefit to the Institution.	9) September 1971

D. REPLANNING REQUIRES						E. DATE OF MISSION REVIEW	
REVISED OR NEW:	<input type="checkbox"/> PROP	<input type="checkbox"/> PIP	<input type="checkbox"/> PRO AG	<input type="checkbox"/> PIO/T	<input type="checkbox"/> PIO/C	<input type="checkbox"/> PIO/P	
PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE				MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE			

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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	UNSATISFACTORY		SATISFACTORY			OUTSTANDING		LOW	MEDIUM		HIGH		
	1	2	3	4	5	6	7	1	2	3	4	5	
1. Harvard University				X									X
2.													
3.													

Comment on key factors determining rating

Contractor highly responsive to improvements in quality of academic program, but objectives pertaining to improved management and financial self sufficiency have not been achieved. Data on current CA/P business management demands and linkages with CSUCA/FUPAC institutions need improvement. Curriculum expansion and improved relevancy include new courses in marketing and agribusiness.

4. PARTICIPANT TRAINING	N/A	1	2	3	4	5	6	7	1	2	3	4	5
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Comment on key factors determining rating

5. COMMODITIES	N/A	1	2	3	4	5	6	7	1	2	3	4	5
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Comment on key factors determining rating

6. COOPERATING COUNTRY CA/P	a. PERSONNEL	1	2	3	4	5	6	7	1	2	3	4	5
	b. OTHER			X									X

Comment on key factors determining rating

Board of Directors is comprised of successful businessmen of the region who are deeply concerned with INCAE's development. While most INCAE faculty members are from the U.S., some effort is being made to train indigenous faculty. All faculty members are full-time. Chapters of INCAE Professional Association (ANDI) have been organized in three countries, and businessmen of the region have made contributions through the purchase of INCAE bonds and contributions to the endowment fund. However, funds committed to date are far short of projections. Advanced management conferences and seminars held in the region have been well received.

7. OTHER DONORS	Student tuitions	1	2	3	4	5	6	7	1	2	3	4	5
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(See Next Page for Comments on Other Donors)

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II. 7. Continued: Comment on key factors determining rating of Other Donors

Students are paying tuition at a level far above Central American standards. Estimated that tuitions are approximately half of what is needed to meet expenses. Base line data needed on where graduates being placed, performance ratings, etc.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					
		CUMU- LATIVE PRIOR FY	CURRENT FY		FY <u>72</u>	FY <u>73</u>	END OF PROJECT
			TO DATE	TO END			
MBA Graduates	PLANNED	73	52	52	60	60	245
	ACTUAL PERFORM- ANCE	47	0				
	REPLANNED			52	60	60	219
Advanced Management Conferences - attendees	PLANNED	835	100	300	300	300	1,735
	ACTUAL PERFORM- ANCE	835	120				
	REPLANNED			-	-	-	-
Contract Services Mgt. consultation, etc. Gross revenue (net 15%)	PLANNED				\$200,000	\$200,000	\$200,000
	ACTUAL PERFORM- ANCE						
	REPLANNED						
	PLANNED						
	ACTUAL PERFORM- ANCE						
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT: Training taking place; evidence suggests a high degree of dependence on Harvard Contract; March 1971 INCAE projections suggest revision of capital development program, tuitions, revenue, etc., is necessary.					
1. Training in planning, research and management systems approach							
2. Placement service		COMMENT: All recent graduates placed.					
3. CLADEA (Committee of Deans of L.A. Graduate Schools of Business) center and data bank (case studies)		COMMENT: Case studies and methodology being used. Data needed on number of cases being used and progress being made in upgrading quality and providing improved process of dissemination.					

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged.

2. Same as in PROP? YES NO

Establish INCAE as a self-sustaining regional institution to meet business management needs in private and public sectors of CA/P on a continuing basis.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
1) Indigenous faculty and administrative personnel teaching and managing school.	1) High degree of influence by Harvard in both areas. 2 of 12 teaching staff are indigenous; 3 of 4 top administrative staff are Nicaraguan.
2) 50 of 60 MBA graduates in 1973 placed in CA/P region within 90 days of graduation.	2) High percentage of students enrolled are graduating. Information as to whether MBA's meeting critical needs of business or performing at required level is presently unavailable.
3) 80% of projected enrollment in AMP program.	3) 100% to date with 835 participants; however, large number of non-CA/P participation.
4) \$200,000 in consultation contracts let in 1973.	4) Data needed. Evidence suggests professors involved in contracting services with little or no financial payoff to institution.

V. PROGRAMMING GOAL

A. Statement of Programming Goal

To develop and improve business management capacity of CA/P region.

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

Once it has reached the level of self-sufficiency INCAE could serve as a CA/P model for graduate business school development; however, high tuition costs and relatively high salary demands of MBAs produce a question regarding the capability of meeting overall and specific CA/P business management requirements.

In addition, ROCAP staff's evaluation of INCAE's long range financial plan suggests that the school is in financial difficulty and has no immediate prospects for improving its present posture either through increased tuitions or endowment. It is suggested that future projections for capital expansion be viewed in the light of (a) probability of a-

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged.

2. Same as in PROP? YES NO

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
<p>5) 1974 INCAE operations fund requirements committed exclusive of AID input.</p> <p>6) Financial projections indicate high probability of adequate financial support for next 10 years.</p> <p>7) Endowment commitments at appropriate level.</p> <p>8) Acceptance and use of case study method and materials by other institutions and CA/P business.</p>	<p>5) No evidence to support this projection, cumulative operating debt estimated at \$1,000,000; student tuitions estimated at ½ necessary to meet expenses.</p> <p>6) March 9, 1971 INCAE long range development plan suggests continuing need for external financial support through 1980.</p> <p>7) 1971 projection of 2.0 million approximately 1/3 pledged.</p> <p>8) Method and materials used at INCAE; data needed re: use at other institutions and in business.</p>

V. PROGRAMMING GOAL

A. Statement of Programming Goal

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

achieving end of project status (e.g. #6) with respect to financial viability and (b) evidence brought to bear as a result of Action steps listed on Pages 1 and 1-a. This evidence will also assist in developing options for future financing of INCAE.