

598 Proj. 5980550-
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PD-AAB-551-131

FEB 11 1972. 25r

MEMORANDUM

TO : AA/LA - Mr. Herman Kleine
FROM : LA/OPNS - Shephard J. Hollander
SUBJECT: Regional Export Development Assistance PROP

PROP Review Committee met on January 14 and approved subject project for one year life-of-project as a pilot operation. This project funds the services of a full-time expert in export development together with nine man/months of short-term technical assistance consultants. The resident expert will be co-located with the facilities of the Department of Commerce's Regional Trade Development Center (RTDC) in Buenos Aires to serve the export development training requirements of southern cone countries. This arrangement has the advantage of using the U.S. techniques to demonstrate how export promotion activities are carried out by the U.S. with the Regional Export Development Advisor indicating how these techniques can serve or be adapted to serve the particular needs of South American countries.

Prior to approval for second year funding the project will be evaluated to measure its impact in terms of:

- a. kinds of participants attending the project's activities
- b. the importance attached to the Center by South American countries
- c. the impact of the project on South American export development policies and institutions
- d. a cost/benefit analysis of this kind of training compared with alternative ways of transferring such technical assistance.

I. PROJECT IDENTIFICATION

1. PROJECT TITLE
REGIONAL EXPORT DEVELOPMENT ASSISTANCE 550

APPENDIX ATTACHED?
 YES NO

2. PROJECT NO. (M.O. 1095.2)
598-13-950-550

3. RECIPIENT (specify)
 COUNTRY _____
 REGIONAL L.A. INTERREGIONAL _____

4. LIFE OF PROJECT
BEGINS FY 72
ENDS FY 74

5. SUBMISSION
 ORIGINAL _____ DATE _____
 REV. NO. _____ DATE _____
CONTR./PASA NO. _____

II. FUNDING (\$000) AND MONTHS (MM) REQUIREMENTS

| A. FUNDING BY FISCAL YEAR | B. TOTAL \$ | C. PERSONNEL | | D. PARTICIPANTS | | E. COMMODITIES \$ | F. OTHER COSTS \$ | G. PASA/CONTR. | | H. LOCAL EXCHANGE CURRENCY RATE: \$ US (U.S. OWNED) | | | | |
|---------------------------|-------------|--------------|--------|-----------------|--------|-------------------|-------------------|----------------|--------|---|------------------|-----------|------------|--|
| | | (1) \$ | (2) MM | (1) \$ | (2) MM | | | (1) \$ | (2) MM | (1) U.S. GRANT LOAN | (2) COOP COUNTRY | (A) JOINT | (B) BUDGET | |
| 1. PRIOR THRU ACTUAL FY | | | | | | | | | | | | | | |
| 2. OPRN FY | 80 | 46.7 | 21 | | | | 33.3 | | | | | | | |
| 3. BUDGET FY | 80 | 46.7 | 21 | | | | 33.3 | | | | | | | |
| 4. BUDGET -1 FY | | | | | | | | | | | | | | |
| 5. BUDGET -2 FY | | | | | | | | | | | | | | |
| 6. BUDGET -3 FY | | | | | | | | | | | | | | |
| 7. ALL SUBQ. FY | | | | | | | | | | | | | | |
| 8. GR/ND TOTAL | 160 | | | | | | | | | | | | | |

9. OTHER DONOR CONTRIBUTIONS

| (A) NAME OF DONOR | (B) KIND OF GOODS/SERVICES | (C) AMOUNT |
|-------------------|----------------------------|------------|
| | | |

III. ORIGINATING OFFICE CLEARANCE

| | | |
|--|--|----------------|
| 1. DRAFTER E. Lijewski | TITLE LA/DR/PED | DATE 2/2/72 |
| 2. CLEARANCE OFFICER R. C. Crisler, Jr. | TITLE Chief, Priv. Ent. Div. LA/DR/PED | DATE 2/2/72 |

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL

2. CLEARANCES

| BUR/OFF. | SIGNATURE | DATE | BUR/OFF. | SIGNATURE | DATE |
|----------|-------------|--------|----------|-----------|--------|
| LA/DR | S. Grand | 2/2/72 | LA/OPNS | H. Myers | 2/3/72 |
| LA/APU | W. Steedman | 2/3/72 | | | |
| LA/DP | J. Heller | 2/9/72 | | | |

3. APPROVAL/AG OR OFFICE DIRECTORS

| | | | |
|---|-----------------|---|------|
| SIGNATURE Herman Kleina | DATE 2/28/72 | 4. APPROVAL AID (See M.O. 1025.1 VI C) | DATE |
| TITLE Assistant Administrator, AA/LA | | ADMINISTRATOR, AGENCY FOR INTERNATIONAL DEVELOPMENT | |

PROJECT: Regional Export Development Assistance

ILLUSTRATIVE BUDGET

(Period 3/1/72 - 3/1/73)

| | |
|--|---------------|
| 1) <u>Personnel Services</u> | |
| Resident Export Advisor (REA) | \$ 28,000 |
| 3 Short Term Consultants (9 man/mos.) | 18,780 |
| Overhead | <u>5,000</u> |
| | \$ 51,780 |
| 2) <u>Allowances</u> | |
| Quarters Allowance (REA), \$5,400/yr | \$ 4,500 |
| Temporary Lodging (60 days, \$20 day) | 1,200 |
| Other | <u>1,020</u> |
| | \$ 6,720 |
| 3) <u>Other Costs</u> | |
| a) REA - International Travel, Transportation of HHE | \$ 12,900 |
| b) Supplies, Equipment | 800 |
| c) International travel of short- term consultants | 3,300 |
| d) International travel of RTDC technicians advising South American trade mission group (Japan or Europe) | 4,500 |
| | <u>21,500</u> |
| | \$ 21,500 |
| Grand Total for one Calendar Year = | \$ 80,000 |

PROP FORMAT

- A. Rationale and Project Description
 - 1. History and Status of the Activity
 - 2. Nature of the Project
- B. The Project Goal
 - 1. Statement of Goal
 - 2. Measures of Goal Achievement
 - 3. Means of Verification
 - 4. Basic Assumptions of Goal Achievement
- C. The Project Purpose
 - 1. Statement of Purpose
 - 2. Conditions Expected at the end of the Project
 - 3. Means of Verification
 - 4. Basic Assumptions
- D. Outputs
 - 1. Statement and Magnitude of Project Outputs
 - 2. Objectively Verifiable Indicators
 - 3. Basic Assumptions
- E. Inputs
 - 1. Statement and Magnitude of Inputs
 - 2. Basic Assumptions

PROJECT TITLE: REGIONAL EXPORT PROMOTION ASSISTANCE

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|----------|-----|-----|----|---|----|----|----|--|----|---|--|----|--|---|----|----------|----------|----|---|--|----|---|---|----|----------|----------|----|---|---|
| <p>Program or Sector Goal: The broader objective to which this project contributes</p> <p><u>Program or sector goal:</u></p> <p>To provide the opportunity for South American governmental and private sector entities concerned with increasing and diversifying exports to observe and acquire methodology and techniques for stimulating export development through an institutionalization of export promotion procedures, as demonstrated through the activities of the U.S. Department of Commerce Regional Trade Development Center in Buenos Aires and the program of technical assistance presented by the Regional Export Advisor.</p> | <p>New or increased requests for T.A. in export development. (from any source)</p> <p>Increased requests for "Follow-on" in more specialized export development activities.</p> <p>Secondary demonstration effects of application of new export development techniques by businesses of Latin countries.</p> <p>Policy and institutional changes in gov't and private sector to facilitate export development activities.</p> <p>Rise in export indicators (especially non-traditional).</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p><u>Project Purpose:</u></p> <p>To develop and present a program of activities providing information and training which can assist South American governments and the private sector to expand and diversify their exports; in so doing, to serve as a pilot test of the demand for and appropriateness of the unique technical assistance in export development provided through this project.</p> | <p>End of Project Status:</p> <ol style="list-style-type: none"> In terms of cost/benefit assessment, sufficient quantitative participant response to activities followed by participants' application of export development techniques learned. Assumption by international organizations of comparable program techniques. Project impact in terms of all indicators will be assessed over one year period. Second year funding approval contingent on this evaluation. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p><u>Outputs:</u></p> <ol style="list-style-type: none"> Export Promotion Assistance Conference Seminar on Quality Control & Reliab. Eng. Consumer Goods Promotion in Dept. Stores Trade Mission Activity Intern Training Export Management Training Participation in a Trade Fair (with RTDC assistance) Provisions of Export Development Consulting AID/W project evaluation in terms of one year and two-year indicators | <p>Magnitude of Outputs:</p> <table border="1"> <thead> <tr> <th></th> <th>'72</th> <th>'73</th> </tr> </thead> <tbody> <tr><td>1.</td><td>1</td><td></td></tr> <tr><td>2.</td><td>1</td><td></td></tr> <tr><td>3.</td><td>1</td><td></td></tr> <tr><td>4.</td><td></td><td>1</td></tr> <tr><td>5.</td><td>on-going</td><td>on-going</td></tr> <tr><td>6.</td><td>1</td><td></td></tr> <tr><td>7.</td><td>1</td><td>1</td></tr> <tr><td>8.</td><td>on-going</td><td>on-going</td></tr> <tr><td>9.</td><td>1</td><td>1</td></tr> </tbody> </table> | | '72 | '73 | 1. | 1 | | 2. | 1 | | 3. | 1 | | 4. | | 1 | 5. | on-going | on-going | 6. | 1 | | 7. | 1 | 1 | 8. | on-going | on-going | 9. | 1 | 1 |
| | '72 | '73 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | on-going | on-going | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. | on-going | on-going | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9. | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p><u>Inputs:</u></p> <p>Administrative funding authorized.</p> <p>Contract for REA's services signed.</p> <p>PAR, and in-depth evaluation, performed after one-year period.</p> <p>Budgeted travel for RTDC advisors to accompany L.A. trade mission to Europe or Japan.</p> | <p>Implementation Target (Type and Quantity):</p> <table border="1"> <tbody> <tr><td></td><td>72</td></tr> <tr><td></td><td>72</td></tr> <tr><td></td><td>73</td></tr> <tr><td></td><td>72</td></tr> </tbody> </table> | | 72 | | 72 | | 73 | | 72 | | | | | | | | | | | | | | | | | | | | | | |
| | 72 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 72 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 73 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 72 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

DESIGN SUMMARY

ANALYTICAL FRAMEWORK

Life of Project
 From FY 72 to FY 74
 Total US Funding \$160,000
 Date Prepared 2/2/72

| | MEANS OF VERIFICATION | OBJECTIVELY VERIFIABLE INDICATORS |
|---|--|--|
| (re) T.A. ent ily | Regular Reports by the R.E.A. plus: 1. Reports of USAID's and AID/LA re TA requests. 2. <u>Periodic Economic Review</u> 3. <u>Special Embassy or Mission "Alert" Reports</u> 4. CIAP Country Review 5. IMF Report of Annual Consultation Missions 6. IBRD Economic Surveys of LA countries 7. Field evaluation of OAS in-country programs and activities. 8. Reports of U.N. Assistance Programs 9. <u>Economic Trends Report</u> 10. <u>Direction of Trade</u> 11. <u>International Financial Statistics</u> | Assumption for Achieving Goal Targets: In Latin American Countries: 1. Governmental and private sectors respond to assistance offered through this program. 2. Governments and private sector entities establish policies as appropriate for facilitating export development activities. 3. Economic growth trends continue; no recessionary periods occur. |
| s- ty, i- ove fter n | End of Project evaluation will utilize: 1. Regular reports from the R.E.A. 2. Special follow-up questionnaire evaluation by R.E.A., with individual Mission support of participants who attended activities at R.T.D.C. 3. Regular reports of the Director of the R.T.D.C. The first year assessment will utilize: 1. a PAR 2. Regular reports of REA 3. Regular reports of Director of RTDC 4. Assessment of projects' impact on S. Am. countries performed by appropriate | Assumption for Achieving Purpose: 1. Governmental and Private Sector interest in export development activities will be stimulated and will continue. 2. Gov't and Private Sector will take appropriate steps to implement export development measures. 3. Appropriateness and value of project activity will be appreciated by international organizations concerned with export development. |
| | USAID/Missions. 1. Regular Reports from R.E.A. 2. Special reports from USAID Missions 3. Department of Commerce and RTDC reports. | Assumption for Providing Outputs: 1. That the Department of Commerce schedule for RTDC openings is unchanged. 2. That Commerce' assistance to this program will continue. 3. That program will attract at least minimum level of participants required to hold program. |
| | AID Records | Assumption for Providing Inputs: 1. That AID/W funds are available and will be authorized for project activity. 2. That Dept. of Commerce's support for RTDC remains at expected level. |

A. Rationale and Project Description

1. History and Status of the Activity

AID is giving priority attention to assistance for Latin American export development in implementation of President Nixon's commitment of October 31, 1969. To define a responsive, coordinated, and effective approach to these matters, an Inter-Agency Task Force was formed in 1970. Principal conclusions reached by the Task Force were the following:

First, that, in addition to optimistic future potentials relating to emerging preferences and other liberalized conditions, all countries of the Western hemisphere currently have considerable opportunities for expanding exports, provided they vigorously pursue existing and identifiable opportunities, while minimizing constraints within their control.

Second, that external assistance can be of substantive value to most governments, provided that it is carefully meshed with appropriate and effective national programs and policies. In fact, United States Government agencies and international organizations have already assisted notably successful export development efforts in many developing countries over the past decade, both bilaterally and multilaterally, and there is considerable experience on which to build for the future.

AID policy concerning the promotion of export development in L.A., based on the Inter-Agency Task Force analysis and recommendations, favors overall stimulation of export development, with AID prepared to respond to appropriate requests for assistance in such export problem areas as 1) development of a comprehensive export strategy; 2) product development; 3) market research; 4) export promotion; and 5) training. AID assistance is offered to countries in rationalizing and expanding their export development activities.

AID is not wedded to any particular pattern for implementation of this program, but is concerned to develop and implement this effort mutually with interested Latin countries, with whatever degree of flexibility is necessary to ensure its success.

Export expansion is no longer looked upon as a simple marketing effort to promote the sale of existing export surpluses, but rather is viewed as a major developmental effort to identify and develop products in which the particular country enjoys a comparative advantage and for which firm external demand exists, with a view to investment (with or without foreign collaboration) in technically up-to-date production facilities for the purpose of creating adequate supplies for export. Greater stress is being placed on diversification and increase in value-added of exportable products, thereby reducing a developing country's dependence on a few primary products, particularly agricultural products, with typically highly inelastic demand.

Increased exports are critical to the achievement by the LDC's of self-sustaining economic growth. The report of the Pearson Commission, for example, stressed the importance of achieving an expansion of exports by developing countries, to both the developed countries and among themselves, on a regional as well as on an inter-regional basis. While the report identifies a number of significant external constraints to the expansion of the developing countries' export earnings and calls upon the developed countries to assist in the removal of these constraints, it is clear that many constraints acting to inhibit the expansion of

exports by the developing countries are internal to their own economy and subject to influence by the country's own policy-making machinery.

While proposals such as that for a General Scheme of Preferences and other measures designed to widen Latin American export opportunities to broader markets are essential, they, in themselves, will yield few results unless Latin American countries develop the technical capacity to take advantage of export opportunities. World demand will not automatically turn to Latin America. Indeed, world conditions of supply will become increasingly competitive, so that well conceived and vigorous national and regional efforts to develop and maintain export markets will be needed by all countries attempting to increase their shares. Substantially realizing the opportunities afforded by liberalized export entry into the United States and other markets will require the establishment of an overall national export strategy which would include factors such as systematic, continuing, and energetic national attention to identifying new markets and market trends for specific products for which national products enjoy competitive advantages, developing national sources of supply which meet international standards of price, quality, attractiveness, and delivery reliability, inducing national producers to enter regional and international markets, and so on. These are complex and difficult matters for governments, and delay in attending to them can be costly.

In the final analysis, the question is one of defining an effective strategy, reducing political and institutional obstacles, and mobilizing sufficient national commitment and resources to achieve export goals.

AID considers activities in export development an area of high priority in which it is important to develop and maintain momentum and to encourage and respond to relevant Latin American initiatives addressed to the above objectives, through new or on-going bilateral or multilateral programs.

The project supported by this program of AID assistance is unique in that it takes advantage of and builds upon the U.S. Department of Commerce's effort in developing a program and facilities to promote U.S. efforts from its new Regional Trade Development Center (RTDC) in Buenos Aires. The assistance provided through this project is complementary to on-going AID bilateral and multilateral assistance programs in South America including export development programs in Uruguay and Paraguay, and AID support and assistance to C.I.P.E., PROMECA, I.T.C., E.C.L.A., and other international mechanisms.

2. Nature of the Project

This project will provide for the services of an expert in Export Development, who will serve as the AID/W Regional Export Advisor (REA), assigned to Buenos Aires and based at the Department of Commerce's Regional Trade Development Center (RTDC) which will become operational in the spring of 1972. The life of the project is expected to be 24 months. However, this project is viewed by AID/W as a pilot project, and further extension will depend upon evaluations of the project's goal and purpose achievements at the end of the two years. Additionally, before second year funding is made available, an evaluation of the project will be made to measure its actual, compared with intended, impact. To understand how this unique project will function and provide South American countries with technical assistance in export promotion, it is necessary to appreciate how the

activities of the RTDC help promote U.S. exports since the RTDC will serve as demonstration model for this project.

Regional Trade Development Centers are designed by the Department of Commerce to be focal points for trade promotion of U.S. manufactured items within a developing market region. Emphasis is thus regional rather than country oriented as it is in trade centers operated in industrialized areas. The RTDC program seeks to increase the U.S. commercial presence throughout each region. Results, which are planned to dovetail and build upon each other, are expected along these lines:

- Introduction of new exporters and assistance to those already on the scene.
- Growth in commercial contracts and in appointment of agents and other representatives to assure U.S. export sales in the long term.
- Dissemination of technical information and know-how, to enhance sales prospects for U.S. products and services.

American companies participate in the RTDC program in the following manner:

Catalog Shows: Manufacturers producing equipment in a single related field furnish catalogs covering their latest products. Accompanying publicity by the RTDC seeks to attract the largest number of potential distributors and customers. This type of show gives manufacturers a chance to introduce products and develop agency relationships at nominal cost..

Technical Seminars: A panel of U.S. industry specialists is invited to present papers on technical subjects to leading poten-

tial customers and university and government experts. Such seminars fill a pressing need for technical information in the developing countries.

Touring Exhibits: This technique is essentially a product exhibit on wheels, and is used to bring a wide range of U.S products to other business centers within an individual country or region.

Training Courses: Held under the auspices of the RTDC, which supplies course materials and arranges for an instructor (who is paid from student fees), these courses in marketing practices and basic salesmanship are made available to the local sales agents and representatives of U.S. businesses.

Single-Sponsor Shows: This technique involves the use of facilities for display of a single company's products. The exhibitor provides money and workers to help with the display. This technique is useful in introducing new products in a local market.

From the above it can be appreciated that the RTDC can serve Latin Americans as an "operational model." The Center's activities in general, and those of particular interest to individual Latin visitors, can be observed and evaluated in their actual and functional setting. The FEA will advise in the transfer and application of export promotion techniques appropriate to the LA situation. In doing this, the FEA will serve in much the same manner as an instructor teaching a course in export development whose textbook and laboratory are the activities of the RTDC.

In addition to utilizing the RTDC for demonstration purposes, as noted above, this project proposal includes the development and presentation

by the REA of programs of activities designed specifically for the participants from Latin American countries and supported by the RTDC staff and facilities. Among such programs are the following:

1. Export Promotion Assistance Conference.
2. Intern Training (for trainees funded by governments and businesses of South American countries).
3. Seminar on Quality Control and Reliability Engineering.
4. Export Management Training (seminars for local executives interested in exporting).
5. Trade Mission Activity (how to organize and execute trade missions).
6. Consumer Goods Promotion in Department Stores.

To guarantee even a modestly successful presentation of any of the foregoing activities requires a significant amount of planning, organizing, and preparational activity. The REA will devote a large portion of his time and efforts to identifying and explaining to participants the many time consuming but essential details which serve as building blocks for a successful export promotion activity.

Because of the nature of the distinct and yet interrelated activities of the REA and the RTDC, benefits will accrue to each program from the other's activities. Accordingly, because of this symbiotic aspect, the REA will coordinate closely his activities with the RTDC Director and the USAID/A RDD. However, in view of the technical nature of the function, the Chief, Private Enterprise Division, Office of Development Resources, Bureau for Latin America (LA/ER/PED), has been designated Project Manager for this activity.

B. The Project Goal

1. Statement of Goal:

To provide the opportunity for South American governmental and private sector entities concerned with increasing and diversifying exports to observe and acquire methodology and techniques for stimulating export development through an institutionalization of export promotion procedures, as demonstrated through the activities of the U.S. Department of Commerce Regional Trade Development Center in Buenos Aires and the program of technical assistance presented by the Regional Export Advisor.

This goal can be realized by:

1. awakening the interest of South American countries to the need to support programs designed to increase the production and sales of non-traditional exports by offering to them participation in the specific program of assistance we are supporting through the instruments of the Regional Export Advisor and the Regional Trade Development Center.
2. assisting South American countries to develop a commercial presence in markets of the region where previously their trade promotion efforts were sporadic or non-existent.
3. enabling South American governmental agencies and business firms concerned with export promotion to compete more effectively with other trading nations by offering examples of specialized export development techniques and services to those business firms seeking major trading and investment opportunities in selected existing, or emerging markets.
4. enabling South American governments and business firms to identify trade development opportunities which might be pursued by trade promotion programs other than those

demonstrated at the RTDC, such as trade fairs, trade missions, etc.

2. Measures of Goal Achievement,

A. New or increased requests for technical assistance in export development from any source (bilateral or multilateral) by entities which sent participants to the REA's program.

B. Comprehensive structuring of increased requests for more specialized follow-on technical assistance in export development by countries which participated in the REA's program. This would result from a process of building upon the basic lessons and techniques offered through this project activity.

C. Application of new export development techniques by businesses of South American countries whose governmental and private agencies had participated in this project. For example, a trend of business activities directed towards increased production and sales in new or expanded markets would be discernable and serve as a goal measure. For such businesses, their new or increased participation in trade shows, displays, or other promotional activities which utilize and draw upon techniques demonstrated in this project would be a verifiable indicator.

D. Policy and institutional changes by the governmental and private sector designed to facilitate export development activities. This would include, for example, such actions as:

--the provision of export incentives

--the organization of trade officials, bureaus, etc.,
concerned with export development

--training programs on export development for commercial attaches.

E. A rise in a country's export indicators, especially in the indicators for non-traditional commodities and services.

3. Means of Verification

Measurement or evaluation of conditions obtaining at the end of the project to indicate whether project goal has been achieved will be accomplished by referring to and comparing certain regular analyses and reports prepared by the REA, appropriate U.S. Missions and Embassies, and international organizations such as the IBRD, the IMF, and the OAS. These regular reports will provide bench marks or reference points for the periods prior to, during, and following, the project's operational life. Accordingly, owing to their nature and selectivity, they are expected to be sufficiently sensitive and responsive to the trends and changes expected to have occurred as a direct or indirect result of the project activity, thus serving to confirm or deny verifiable progress towards achievement of the project goal. In addition to the REA's required reports, some or all of the following would serve in the project evaluation as measures of goal achievement:

1. Reports of USAIDS and AID/LA regarding technical assistance requests.
2. Periodic Economic Review (State) (Monthly)
3. Special Embassy or Mission "Alert" reports
4. CIAP Country Reviews
5. IMF Report of Annual Consultation Missions

6. IBRD Economic Surveys of L.A. Countries (Periodical)
7. Field Evaluation of OAS In-Country Programs and Activities (Annual) (State)
8. Reports of UN. Assistance Programs (Periodically)
9. Economic Trends Report (State) (Semi-Annual)
10. Direction of Trade (IMF)
11. International Financial Statistics (IMF)

4. Assumptions for Achieving Goal Targets.

- A. That the governmental and private sectors will respond to the program of assistance offered to them through this project.
- B. That present economic conditions and growth trends will continue to be favorable to business expansion or at least not turn downward; that no recessionary periods are encountered.
- C. That appropriate policies and institutional arrangements for facilitating export development activities will be established by governments and the private sector where necessary.

C. The Project Purpose

1. Statement of Purpose:

- A. To provide a unique training facility for the transfer of techniques designed to assist South American governments and the private sector in expanding and diversifying their exports.
- B. By providing the above, this project will serve as a pilot test of the demand for and the appropriateness of the technical assistance in export development provided through the unique use of the RTDC facility as proposed.

The program of activities to be implemented under this project is intended to stimulate South American governmental and private organizations interested in instituting or expanding export development activities by making available to them appropriate knowledge and techniques in export development as demonstrated through the activities at the RTDC. Such export development methodology might be utilized by the participants to create an increased market awareness of their national industries' products, services, and technology in regional and particular markets, and to increase their national industries' awareness of business opportunities in those new or expanded markets.

The unique feature of this project is the co-location of an AID technical assistance activity in export development with the U.S. Department of Commerce Regional Trade Development trade center. It is expected that, after the conclusion of the activities programmed under this project, evaluation can be made to determine the advantages or disadvantages of such an approach for future efforts in this area.

2. Conditions which indicate that Project purpose has been achieved.

(End of Project Status).

Achievement of the demonstration effect intended through this project will have been confirmed if both of the following conditions obtain at the end of the project:

(a) Response from South American countries to assistance offered through this project was sufficient to justify the expenditures for the project activity in terms of cost per participant, and participants and observers in the project's activities at the RTDC acquired methodologies

and techniques for export development and were able to employ these concepts in their own countries in furtherance of government or business export development objectives. Should this status be achieved there would be no need for further AID support of this activity.

(b) As international organizations concerned with export development activities such as COPE strengthen their training capabilities, responsibility for sponsoring additional or continuing training and instruction of the unique type supported by this project should be assumed by such organizations. In that event, at the end of the two year life of this project, direct AID support of this activity would end.

Additionally, before second year funding is made available, an evaluation of the project will be made, measuring its impact in terms of:

- a) kinds of participants attending the project's activities.
- b) the importance attached to center by South American countries.
- c) the impact of the project on South American export development policies and institutions.
- d) a cost/benefit of this kind of training compared with alternative ways of transferring such technical assistance.

3. Means of Verification

For the purpose of evaluating the project in terms of the specific one-year objectives listed above, an in-depth evaluation will be performed using the following instruments:

- A) a PAR
- B) Regular reports of the R.E.A. (period to be designated)

- C. Regular reports of the Director of the RTDC.
- D. Assessments of the project impact on South American countries performed by appropriate USAID/Missions.

For the purpose of evaluating the conditions which will indicate that the project purpose has been achieved, 3 instruments will be utilized:

- A. Regular reports from the R.E.A. (period to be designated), to include sections specifically dealing with the project purpose indicators.
- B. The follow-up evaluation questionnaire, to be designed by the REA, will be sent to each participant approximately three months or later following his attendance at an REA-RTDC activity.
- D. The Regular reports of the Director of the RTDC will indicate if the co-location aspect of the project is working smoothly.

4. Assumptions for Achieving the Project Purpose

It is assumed that the interest of governmental and private sector entities will be stimulated and that they will sponsor participants to the program as developed and administered by the Regional Export Advisor in Buenos Aires; that this interest will continue; and that these entities will carry out further steps as necessary to implement appropriate programs for development of export promotion within their areas based on their observations and study of possible action programs at the RTDC.

In the event that continuation of the type of activity sponsored under this activity appears desirable, it is assumed that the appropriateness of the project activity will have been demonstrated sufficiently to cause an international organization such as CIPE to assume responsibility for further support of such a program.

D. OUTPUTS

1. Statement and Magnitude of Project Outputs -- Anticipated Project Outputs include activities undertaken and carried out individually and jointly by the REA and the Director of the RTDC. Examples illustrative of these activities follow:

- A. Acquainting South American governments of the assistance available through his services and the facilities of the RTDC. As an initial program offering, the REA would advise South American governments of an Export Promotion Assistance Conference, to which they would be invited to send participants. In this activity the REA would be assisted by the RTDC and its Director. At this first symposium, the principal techniques of export trade promotion would be delineated. The RTDC Director would be involved as an active advisor particularly on matters of organization and agenda, and could give advice and council to those participating in the conference.
- B. Seminar on Quality Control and Reliability Engineering. This activity would be a technical training seminar for engineers and plant managers from countries of the region, featuring authoritative speakers from the U.S. and Latin America. This project would contribute to the capacity of the manufacturers of the region to meet world market competition in the areas of quality and reliability. The RTDC Director would assist as noted above.
- C. Consumer Goods Promotion in Department Stores. A retail promotion for the sale of products of interested countries in overseas markets could be initiated. This activity would be primarily the responsibility of the REA, with ad hoc assistance from the RTDC Director as desired.

D. Trade Mission Activity. If justified by interest, show in the Export Promotion Assistance Conference, a program of assistance could be initiated with regard to organizing and executing trade missions to appropriate overseas countries. As a study activity, a selling mission covering leather goods might be planned for Scandinavia. Such a Mission would be primarily the responsibility of the REA, with ad hoc assistance by the RTDC Director, as desired.

(The following activities require larger support and participation by the RTDC.)

- E. Intern Training. Assuming the acceptance of invitations, trainees funded by the governments (or USAID Missions) of interested countries would be made welcome at the RTDC shortly after it becomes operational. The REA would be responsible for advising potential participant governments of the program, selecting the participants from those applying, and other related administrative tasks.
- F. Export Management Training. A series of Export Management Seminars for executives interested in exporting could be initiated. This project would be designed to improve their technical capacity in export management. As with the Intern Training program, the REA would be responsible for administrative tasks related to setting up the seminars.
- G. Participation in a Trade Fair in Europe or Japan. A study of this possibility could be initiated with a pilot project to be run at a later date, if justified, and funding is available. Consideration would be given to the use of the RTDC for a preliminary display of

the merchandise to be offered for sale in the selected overseas trade fair. Two RTDC technicians would accompany a South American country's trade mission to the trade fair.

- H. Consultations. The REA will consult with Latin governments and business entities as they desire concerning all areas of export promotion. His travel expenses will be borne either by the government or businesses concerned, or funded by the USAID Missions for the countries.
 - I. At the end of the project AID/W will look at the project in terms of both the one year and end of project indicators. Additional activities are expected to be undertaken by the REA, either alone or together with the RTDC staff and facilities, in response to indications of interest by any government or business firm for training or advice in other areas of export promotion.
2. Objectively Verifiable Indicators
- A. The REA will report regularly to the Project Manager on the progress and activities programmed for future undertaking. His reports will include discussion of the response from governments and businesses to the offer of export promotion assistance, numbers and kinds of participants involved in activities at the RTDC, and if appropriate, additional efforts required to stimulate increased interest in the program.
 - B. Additionally, it is contemplated that the Project Manager will request USAID Missions in South America to provide a semi-annual report on the response to, and effects of, the Export Development Assistance program in their countries. This report will enable the REA to

focus his efforts more intensively in certain areas where the program may not have been fully understood, or to follow more closely the program for export promotion adopted by governments or businesses who had attended the activities at the RTDC.

- C. Department of Commerce and RTDC regular reports will also be used as objectively verifiable indicators of the status of outputs. These reports will cite the response to the program, the numbers of activities and participants, and future programmed activities.

3. Basic Assumptions

It is assumed that to realize the projected outputs the Department of Commerce will continue on schedule with its program for opening and operating the RTDC in Buenos Aires. It is further assumed that their offer of cooperation for this project activity will continue. A final basic assumption is that response from the Latins will be sufficient to enable all programmed activities to be held.

E. INPUTS

1. Statement and Magnitude of Inputs

For the project as proposed, there will be the following inputs:

- A. Administrative funds to support the activities of the REA must be authorized and made available for the life of the project.
- B. AID/W will make necessary arrangements to contract for provisions of the services of a Regional Export Advisor for the period March 1, 1972 through April 1, 1974. These arrangements will include provisions for short term consultant assistance.

- C. A PAR on the project will be performed together with an in depth evaluation of the project at the end of one year.
- D. International travel expenses will be budgeted for KTDC advisors/ technicians to accompany a South American country's trade mission to a trade fair in Europe or Japan.

2. Basic Assumptions:

It is assumed that, as planned, funds are and will continue to be available for the project in terms of the indicated schedule, and that the Department of Commerce will find no obstacle to providing its inputs as planned.