

279 0020 (2)

PD-AAC-408-B1

Attachment A to M.O. 1025.1
(TL 9:172)

NONCAPITAL PROJECT PAPER (PROP)

PAGE 1 OF 2 PAGES

I. PROJECT IDENTIFICATION

1. PROJECT TITLE
TRAINING FOR YAR DEVELOPMENT

APPENDIX ATTACHED
 YES NO

2. PROJECT NO. (M.O. 1025.1)

3. RECIPIENT (specify)
 COUNTRY **Yemen Arab Republic**
 REGIONAL INTERNATIONAL

4. LIFE OF PROJECT
BEGINS FY **73**
ENDS FY

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

18p.

II. FUNDING (\$000) AND MAN 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 (M.O. OWNED) | | |
|---------------------------|-------------|--------------|--------|-----------------|--------|-------------------|-------------------|----------------|--------|---|----------------------------|-------------|
| | | III \$ | III MM | III \$ | III MM | | | III \$ | III MM | III U.S. GRANT LOAN | III COOP COUNTRY (A) JOINT | III MULTIC. |
| 1. FISCAL YEAR ACTUAL FY | | 1 | | | | | | | | | | 12 |
| 2. BUDGET FY 73 | 172 | 8.9 | 8 | 163.1 | 200 | | | | | | | 20 |
| 3. BUDGET FY 74 | 275 | 13.1 | 14 | 261.9 | 360 | | | | | | | 36 |
| 4. BUDGET FY 75 | 379 | 13.8 | 14 | 365.2 | 516 | | | | | | | 50 |
| 5. BUDGET FY 76 | 379 | 13.8 | 14 | 365.2 | 516 | | | | | | | 50 |
| 6. BUDGET FY 77 | 379 | 13.8 | 14 | 365.2 | 516 | | | | | | | 50 |
| 7. ALL SUBC. FY | | | | | | | | | | | | |
| 8. GRAND TOTAL | 1584 | 63.3 | | 1520.6 | | | | | | | | 206 |

9. OTHER DONOR CONTRIBUTIONS

| 121 NAME OF DONOR | 121 KIND OF GOODS/SERVICES | 121 AMOUNT |
|-------------------|----------------------------|------------|
| | | |

III. ORIGINATING OFFICE CLEARANCE

| | | |
|--|-----------------------------------|------------------------|
| 1. OFFICE OF THE DIRECTOR Bradshaw Bangmaid, Jr. | TITLE Director, ASIA/NE | DATE 2/16/73 |
| 2. OFFICE OF THE ASSISTANT DIRECTOR Bradshaw Bangmaid, Jr. | TITLE Director, ASIA/NE | DATE 2/16/73 |

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL

2. CLEARANCES

| DUR/OFF. | SIGNATURE | DATE | DUR/OFF. | SIGNATURE | DATE |
|----------|-----------------|---------|-----------|-----------------|---------|
| OIT | RLandry (draft) | | ASIA/TECH | RDalton (draft) | |
| ASDA/PR | RBirnberg | 2/14/73 | AAO/Yem | Ahuiz | 2/16/73 |
| PPC/DPR | RWard (draft) | | ASIA/TECH | JAhern (draft) | |

3. APPROVAL BY OFFICE DIRECTORS
SIGNATURE: **[Signature]** DATE: **2-16-73**

4. APPROVAL AID (See M.O. 1025.1 VI C)
SIGNATURE: _____ DATE: _____

TITLE: _____
ADMINISTRATOR, AGENCY FOR INTERNATIONAL DEVELOPMENT

NONCAPITAL PROJECT PAPER (PROP) CONT'D.

1. Provides for TDY consultant twice a year for one month each period and salary for one YAR employee. Provides for 13 academic participants at average of 36 months.
2. Estimated country contribution based on continuation of salary estimated at \$100 per month and international travel to the terminal point of the National Airlines.

TABLE I

Budget-(\$000)

| | <u>FY-73</u> | <u>FY-74</u> | <u>FY-75</u> | <u>FY-76</u> | <u>FY-77</u> |
|--|-----------------------|--------------|--------------|--------------|--------------|
| A. Participants | | | | | |
| 1. (Academic training-36 months average) | | | | | |
| (a) Training | 13 @ \$7.8 = 101.4 | 200.2 | 297.0 | 297.0 | 297.0 |
| (b) Transportation | 13 @ 0.5 = 6.5 | 6.5 | 13.0 | 13.0 | 13.0 |
| 2. (Non-academic training-4 mo. avg.) | | | | | |
| (a) Training | 12 @ 4.0 = 48.0 | 48.0 | 48.0 | 48.0 | 48.0 |
| (b) Transportation | 12 @ 0.6 = <u>7.2</u> | <u>7.2</u> | <u>7.2</u> | <u>7.2</u> | <u>7.2</u> |
| Sub-Total | <u>163.1</u> | <u>261.9</u> | <u>365.2</u> | <u>365.2</u> | <u>365.2</u> |
| B. Consultant (AID/W/Officer) | | | | | |
| (a) TDY | = 5.9 | 5.6 | 6.0 | 6.0 | 6.0 |
| C. Employee (YAR) | = <u>3.0</u> | <u>7.5</u> | <u>7.8</u> | <u>7.8</u> | <u>7.8</u> |
| Sub-Total | <u>8.9</u> | <u>13.1</u> | <u>13.8</u> | <u>13.8</u> | <u>13.8</u> |
| TOTAL | = 172.0 | 275.0 | 379.0 | 379.0 | 379.0 |

A. STATEMENT OF GOAL

The long-term goal of this project is a public service exposed to modern management and administrative techniques, and as a result of this exposure, more capable of meeting the operational and administrative responsibilities of a modernizing society. The short-term objective is to provide management and technical training to selected government and private sector^{1/} officials who will occupy positions of responsibility in those YAR ministries, agencies and institutions directly concerned with economic development and resource management.

B. STATEMENT OF PROJECT PURPOSE

The purpose of this project is strengthening the YAR government and private sector services through participant training of middle management and senior level officials. Specifically, training to complement that of indigenous institutions and AUB, will be provided abroad in such areas as administration, finance, economics, statistics, planning and development as well as technical specialties are job related. This project will support and be part of an effort by the YAR to develop a career training program based on the coordination of all foreign training opportunities. Upon termination of the project, the key YARG development ministries and services should:

1. have a first line cadre of foreign trained personnel with sufficient back-up to take care of normal attrition;

^{1/} While the emphasis will be on government officials, private sector individuals will also be eligible for training and as appropriate they will be included.

2. have begun to develop a civil service organization and a modern personnel management practices, including the beginning of a career development training system; and

3. have begun to plan for the local institutions which could meet continuing management training requirements.

Assumptions on which the above is based are:

1. the YAR coordination of all bilateral and multilateral foreign training offers of foreign training and the directing of these offers to technical and economic development goals;

2. continued availability of language and academically qualified candidates;

3. continued relative government stability;

4. a modified but continued expansion of government services;

5. the implementation of government plans to make government service attractive.

The experience in many A.I.D. countries has been that if a critical mass of long-term foreign management and technical training at the senior level in a ministry is achieved, there is a significant overall increase in the capacity of that ministry to discharge its assigned responsibilities, an increase greater than can be attributed to the sum of the training provided. Furthermore, there is a judgment that the interest expressed by YAR officials in a centrally coordinated training program is a sufficient basis for the beginning of an institution building effort and that the YAR is prepared to incur at

least some of the risks inherent in determining priorities and implementing a screening/selection process based on professional qualifications and eventual placement based on training experience.

If this judgment proves incorrect, we will want to reconsider the project focus and consider the alternatives which might reduce YAR responsibilities. While it is relatively easy to pick up some of the bureaucratic and decision-making load if it proves too heavy for the YAR, it is much more difficult to shift the load back once it had been assumed. We do not want to overload the nascent YAR administration, neither do we want to frustrate its initiative. The balance will have to be delicately maintained. The project will have to be monitored closely to sustain balance or adjust the project structure if it is unsustainable.

C. RATIONALE AND DISCUSSION

"He who looks only into the past cannot step into the future," a statement attributed to the late President Gamal Nasser of Egypt, has been grasped upon as the theme of contemporary Yemen. As a nation, the YAR's existence is measured in years rather than decades or centuries. a government structure has been superimposed upon the tribal society. It as yet lacks tradition or sense of purpose. There is little sense of cohesion or shared political objectives. Development is seen somewhat abstractly as an instrument of long-term nations building but, given the political situation, developmental issues do not receive a high priority in day-to-day decision-making. The maintenance of a

modicum of political stability and control over the strong centrifugal political forces in the society is the principle preoccupation of leadership both in and out of government. This situation is likely to continue for the foreseeable future.

Of its 18,000 members, the civil service can boast of only the thinnest veneer of personnel who have knowledge, much less experience in modern government and this small cadre by its exposure to and espousal of modern government risks being estranged from the principle political power sources. There is little in the way of administrative capability or technical competence below this cadre.

Administrative practices in use trace their heritage to Ottoman days. The administrative machinery has little relevance to current YAR economic and social problems and is not capable of meeting the demands that would be put on it by even a modest development effort. Furthermore, although a number of Yemenis have received foreign training under various donor programs, this training has not been centrally coordinated and has not been as beneficial as would be hoped. Because of the deficiencies in the governmental machinery, some donors have tried to operate through self-contained administratively independent project apparatuses. The management/administrative training and experience the civil servants assigned to these projects have received has had only marginal utility upon their return to their ministry.

As a long-term proposition, the viability of the YAR as a nation depends on the growing efficiency of its public sector. Social and

economic obligations, previously the purview of the tribal chieftains, have had to be assumed by the central government despite its fragility. Problems, as well as services, have increased in quantum leaps and expectations have risen even faster. Filling the roles of government managers are the few foreign-trained and the traditional leaders whose dedication often exceed ability.

Because of the lack of indigenous institutions of higher learning, the YAR must look abroad for the development of its trained manpower. Donors have not been lacking but the absence of government direction as well as the general permissiveness of the donors has resulted in dissipation of this assistance resource. The YAR has expressed concern with this trend and indicated its desire to achieve greater coordination of and, hence, control over the various training opportunities provided by other donors. This project is not dependent on such donor coordination. However, if a mechanism is developed within the YAR for selecting qualified candidates for training and placing returned trainees in responsible positions where they can use their training, the YAR would be encouraged to press for greater donor coordination and the donors more interested in it.

The YAR was recently cited by the United Nations as one of the least developed countries of the world. Its low rate of literacy, per capita GNP and limited capital resources all contribute to this designation. Despite this, the YARG agrees to continue civil service incumbents on a sliding scale of their salaries while in training and they have also agreed to develop financial arrangements which will make public service more attractive to returned participants.

Our efforts through this project have a long-term perspective. We do not pretend that a few trained managers will in a short term significantly improve the capacity of the YAR to carry out a coordinated development effort. Neither do we expect that donor coordination, nor a centralized training apparatus, nor a major improvement in the government incentive system can be accomplished easily. However, a start will be made with the first ProAg, which will define a YAR intention and contain an elaboration by the YAR of its plan for translating its intentions into reality. We would expect YAR performance against this plan to be recorded in subsequent ProAgs. Furthermore, it is expected that when a critical mass of trained administrators is reached in the key development ministries, improvement in overall performance will be measurable.

D. STATEMENT OF PROJECT OUTPUTS

Outputs of this project will be essentially trained manpower in administrative and technical fields; development of a career training program as an integral part of a YAR's civil service career development program, and the centralized governmental machinery for selecting, monitoring, and placing trainees in accordance with YAR developmental priorities. Present limitations locally preclude such training except offshore. The product of this project will be part of a concerted program of overseas training coordinated by the YAR with all other donor sources.

Under this project, training will be provided by A.I.D. either in the U.S. or an acceptable third country. Training can be academic in

nature for full scholastic periods although some shorter specialized programs through academic institutions may be utilized. Some short-term training in semi-professional technical areas are envisioned. Observational programs for senior officials may also be useful and will be provided on a selective basis. Illustrative of the latter two categories could be:

1. an official of the Civil Aviation Office to survey regulatory practices in the regional office in Beirut as well as Washington;
2. Officials of the Central Bank to become acquainted with modern national income accounting practices;
3. officials of the Ministry of Transportation to become acquainted with methods necessary to develop national road maintenance systems; and
4. junior management officials to learn practices and procedures necessary to develop national cooperative programs.

E. HOST COUNTRY RESPONSIBILITIES

The determination and priority grouping of training requirements, as well as nomination of candidates of a rank and capacity to effectively utilize the training provided, will be the responsibility of the YARG within the limitations prescribed by A.I.D.^{1/} The sectors with which AID-financed training will be concentrated will be those most directly concerned with economic development. The YAR will be expected to identify the sectors to receive priority attention. Nominations will be

^{1/} It is expected that generally speaking candidate will already occupy senior governmental positions and have demonstrated sustained superior performance in this position.

entertained only for those countries whose English language capability is such as to require no more than four months intensive language training in the U.S. prior to the principal training program except in those few instances where an interpreter will be utilized. We would anticipate that most training in English would be carried out in Yemen before departure to the U.S. Nominees must also possess academic and experience requirements for the proposed training programs.

The long-term viability of the project is based on the YARG's assumption of responsibility for:

1. creating a central point of coordination in the government responsible for determining training requirements and for arranging these requirements in priority order;
2. institutionalizing the means of determining the number or validity of overseas training requirements as well as the nomination of qualified candidates for training and arranging for the necessary formal testing and screening;
3. development of a system to assure return of such trainees upon completion of their training overseas and guarantee of full utilization of their services and their training experience upon their return.

F. PROJECT INPUTS

Project input is primarily participant training of approximately the order of twenty-five new starts per year. Our preliminary assessment is that half will be for non-academic and observational visits and the remainder for full term academic programs leading to degrees. Additional to this and clearly part of the overall project, but not

included in the dollar totals on the fact sheets, will be the fifteen to twenty new academic starts funded under the AUB contract.

Short-term consulting services will be provided to assist the YAR in establishing and managing the training program and assist the YAR in development of their yearly training program. The consultant will be expected to be fully knowledgeable of both availability and limitations of training institutions in the U.S. and third countries as well as knowledge of candidate prerequisites for training. Specialized training programs will be developed as needed and observational visits of YAR officials to training facilities may be provided.

Financial support of this program will include tuition or other training costs, maintenance costs, insurance, books, internal travel within the country of training and international travel to and from the country of training and the terminal point of the YAR national airlines.

G. COURSE OF ACTION

The first year of the project will focus on processing the qualified candidates which the YAR will be able to identify for fall of 1973 placement and the development of the mechanism for subsequent year selection and placement.

Upon notification by AID/W of approval of the PROP, the YARG Ministry of Planning will be requested to submit specific training requests in order of priority. These requests will indicate qualification of candidates and expected use of training and job assignment of trainee. Upon approval by the AAO, necessary documentation will be

prepared by the YARG with the assistance of the AAO local staff.^{1/} which will specify implementation plans, timing, etc. We expect that in this first year the availability of qualified candidates will be the limiting factor and the concentration of participants will not be as great as will be achieved in subsequent years.

1/ In general the duties of the AAO local staff are as follows:

1. Preparation of A.I.D. documentation based on information submitted by the responsible YARG organization.
2. Assisting the AAO and the YARG in developing minimum standards for candidate selection.
3. Assisting the YARG in the development and presentation of participant orientation programs which cover cultural comparisons between countries; unique features to be anticipated in the country of training; administrative preparations inherent in participant training; and material related to predeparture.
4. Preparation of Communications to Missions and AID/W as well as the YARG on participant training.
5. Administrative responsibilities of language testing and improvement prior to departure.
6. Establishment of and maintenance of a records keeping system.
7. Participant follow-up.

The U.S. consultant will assist the YAR and A.I.D. local employee in the processing of this first group of participants operating as a technical advisor on the qualifications and requirements of U.S. and third country educational facilities. It is expected A.I.D. will minimize the number of training institutions used and insure that such institutions have middle east experience, and the consultant will be expected to be familiar with these institutions and assist the YAR in formulating the specialized training needs.

Concurrently, the consultant will advise the YAR on the formation of the central government organization for participant selection, the development of selection criteria, training priorities, and working procedures for the committee and the initial development of general training programs for the ministries identified for priority attention. It is anticipated that the determination of training requirements as well as determination of candidates will be through a central committee of the YARG chaired by the Ministry of Planning established for this purpose. The executive secretariat of this committee will further be responsible for the administration and implementation of the program.

During the first year of the project, the selection committee and selection criteria will be formalized by the YAR. Additional consultant time may be required. We would expect the process to be operating by the second year of the project. We do not plan to press the manpower planning aspect in the early years of the project. However, the process of selecting training and placing senior staff should stimulate YAR interests in more effective manpower planning and we would respond to this interest.

H. EVALUATION

It would be several years before sufficient participants had returned to adequately assess the effectiveness of the YAR machinery for implementing the project. Therefore, an evaluation of the project is scheduled for between the third and fourth year of the project.

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR

FEB 16 1973

FROM: ASIA/NE, Bradshaw Langmaid, JR.

SUBJECT: PROP Approval - Training for YAR Development

The project is generally modeled on the recent India and Afghan participant training programs. With due allowance for the Yemen context, it attempts to provide focus to a general participant training program. The long-term goal of the PROP is a public service more capable of meeting the operational and administrative responsibilities of a modernizing society. The short-term objective is to provide management and technical training to selected government officials (and private sector individuals as appropriate) who will occupy positions of responsibility in those YAR ministries, agencies, and institutions directly concerned with economic development and resource management.

The project is set up as a continuing one. However, upon its eventual termination, the key YARG development ministries and services should have:

1. a first line cadre of foreign trained personnel with sufficient back-up to take care of normal attrition;
2. begun to develop a civil service organization and modern personnel management practice, including the beginning of a career development training system; and
3. begun to plan for the local institutions which could meet continuing management training requirements.

Under this project, training will be provided by AID either in the U.S. or an acceptable third country, for an estimated twenty-five new starts per year. Our preliminary assessment is that half will be for non-academic and observational visits, and the remainder for full term academic programs leading to degrees. In addition, fifteen to twenty new academic starts will be funded under the AUB contract. (They are not included in the dollar totals for this project.) Short-term consulting services will be provided to assist the YAR in establishing, developing, and managing the training programs. Observational visits of YAR officials to training facilities may be provided.

During the first year of the project, the focus will be on processing the qualified candidates which the YAR will be able to identify for fall of 1973 placement. The PROP anticipates a more limited number of

qualified candidates in the beginning than will be available in subsequent years. Development of the mechanism for subsequent year selection and placement of candidates will take place during the first year and should be operating by the second year of the project.

AID financial support of this program will include tuition or other training costs, maintenance costs, insurance, books, internal travel within the country of training and international travel to and from the country of training and the terminal point of the YAR national airlines. Funding for the first year (FY 1973) is estimated at \$172,000. This rises to \$275,000 in FY 1974 and \$379,000 annually thereafter.

An evaluation of the project is scheduled for between the third and fourth year of the project to assess the training program and the development of the YAR machinery for implementing the project.

Recommendation: That you approve the attached PROP and sign the Project Authorization.

Attachments:

- 1 - Project Authorization
- 2 - PROP

Clearance:

AAO/YEM:ARuiz (draft)
ASIA/DP:NDenlinger (draft)
ASIA/TECH:JAhern (draft)
ASIA/DP:RGBirnberg *RCB/jr*

jk
ASIA/NE:JTucker-BLangmaid:jrj:2/16/72

Proj. No 2790020
JW

PROJECT AUTHORIZATION

| | | |
|--|-----------------------------------|-------------------------|
| 1. PROJECT NUMBER 279-11-690-020 | 3. COUNTRY Yemen Arab Republic | 4. AUTHORIZATION NUMBER |
| 2. PROJECT TITLE Training for YAR Development | | 5. AUTHORIZATION DATE |
| | | 6. PROP DATED |

7. LIFE OF PROJECT

a. Number of Years of Funding: 5
Starting FY 19 73; Terminal FY 19 77

b. Estimated Duration of Physical Work
After Last Year of Funding (in Months): 12

| FUNDING BY FISCAL YEAR (in U.S. \$ or \$ equivalent) | DOLLARS | | | P.L. 480 CCC + FREIGHT | LOCAL CURRENCY Exchange Rate: \$1 = | | | |
|--|-------------|------|--|---------------------------|--|------|--------------------|-------|
| | GRANT | LOAN | | | U.S. OWNED | | HOST COUNTRY | |
| | | | | | GRANT | LOAN | JOINTLY PROGRAMMED | OTHER |
| Prior through Actual FY | | | | | | | | |
| Operational FY 73 | 172 | | | | | | | |
| Budget FY 74 | 275 | | | | | | | |
| B + 1 FY 75 | 379 | | | | | | | |
| B + 2 FY 76 | 379 | | | | | | | |
| B + 3 FY 77 | 379 | | | | | | | |
| All Subsequent FY's | | | | | | | | |
| TOTAL | 1584 | | | | | | | |

9. DESCRIBE SPECIAL FUNDING CONDITIONS OR RECOMMENDATIONS FOR IMPLEMENTATION, AND LIST KINDS AND QUANTITIES OF ANY P.L. 480 COMMODITIES

10. CONDITIONS OF APPROVAL OF PROJECT

(Use continuation sheet if necessary)

11. Approved in substance for the life of the project as described in the PROP, subject to the conditions cited in Block 10 above, and the availability of funds. Detailed planning with cooperating country and drafting of implementation documents is authorized.

This authorization is contingent upon timely completion of the self-help and other conditions listed in the PROP or attached thereto.

This authorization will be reviewed at such time as the objectives, scope and nature of the project and/or the magnitudes and scheduling of any inputs or outputs deviate so significantly from the project as originally authorized as to warrant submission of a new or revised PROP.

| A.I.D. APPROVAL | CLEARANCES | DATE |
|---------------------------------|-------------------------------------|---------|
| <i>[Signature]</i> SIGNATURE | PPC/RC: RWard (draft) | |
| | ASIA/R: NDenlinger (draft) | |
| AA | AAO/Yemen: ARuiz <i>[Signature]</i> | 2/16/73 |
| TITLE | A/CONT | |

ASIA/TECH: JAhern *[Signature]* SER/OIT: RLandry (draft) ASIA/NE: BLangmaid *[Signature]*