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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

DOMINICAN REPUBLIC

PROJECT PAPER

RURAL DEVELOPMENT MANAGEMENT

LAC/DR:81-6

Project Number:517-0125

UNCLASSIFIED

BEST AVAILABLE DOCUMENT

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10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$1 - RD\$1)						
A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL						
(GRANT)	(250)	()	(250)	(760)	(40)	(800)
(LOAN)	()	()	()	()	()	()
OTHER U.S.	1.					
	2.					
HOST COUNTRY					3,556	3,556
OTHER DONOR(S)				442	200	642
TOTALS	250		250	1,202	3,796	4,998

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY <u>81</u>		H. 2ND FY <u>82</u>		K. 3RD FY <u>83</u>	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) FN	284	059		250		400		150	
(2)									
(3)									
(4)									
TOTALS				250		400		150	

A. APPROPRIATION	N. 4TH FY		O. 5TH FY		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED
	D. GRANT	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1)							MM YY <input type="text" value="06"/> <input type="text" value="82"/>
(2)							
(3)							
(4)							
TOTALS							

13. DATA CHANGE INDICATOR: WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

1 - NO
 2 - YES

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SIGNATURE	Philip R. Schwab <i>Philip R. Schwab</i>	DATE SIGNED	
TITLE	Director USAID/DR	MM DD YY	MM DD YY
		<input type="text" value="06"/> <input type="text" value="29"/> <input type="text" value="81"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>

PROJECT AUTHORIZATION

NAME OF COUNTRY: Dominican Republic
NAME OF PROJECT: Rural Development Management
PROJECT NUMBER : 517-0125

Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Rural Development Management project for the Instituto Superior de Agricultura ("Grantee") involving planned obligations of not to exceed Eight Hundred Thousand United States Dollars (US\$800,000) in grant funds ("Grant") over a three-year period from date of authorization, subject to the availability of funds in accordance with the AID/OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.

The project consists of the provision of resources to establish an institutional capability to provide in-service, in-country training opportunities to upgrade management skills of public and private officials working in the area of rural development.

The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with AID regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as AID may deem appropriate.

1. Source and Origin of Goods and Services

With the exception of training outside the Dominican Republic, goods and services financed by AID under the project shall have their source and origin in the United States and in the Dominican Republic, except as AID may otherwise agree in writing. Training outside the Dominican Republic, not exceeding \$50,000, may have Source and Origin in countries included in AID Geographic Code 941. Ocean shipping financed by AID under the project shall, except as AID may otherwise agree in writing, be financed only on flag vessels of the United States.

2. Conditions Precedent to Initial Disbursement

Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement, the Grantee shall, except as AID

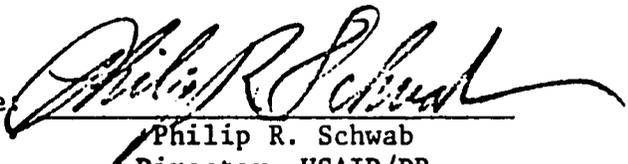
may otherwise agree in writing, furnish to AID, in form and substance satisfactory to AID, evidence that a full-time coordinator for the Grant Project has been appointed with adequate staff and equipment to support the administration of the Grant Project.

3. Convenants

Except as AID may otherwise agree in writing, the Grantee shall covenant that it will:

a. Provide in a manner satisfactory to AID the resources required to maintain the effective operations of the training center, established under this project, following the Project Assistance Completion Date, as defined in the Project Agreement; and

b. By June 30, 1984, submit to AID a plan for the funding of the operations of the Center following the Project Assistance Completion Date, as defined in the Project Agreement.

Signature: 

Philip R. Schwab
Director, USAID/DR

Date: June 29, 1981

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PROJECT DESCRIPTION

I. SUMMARY

The Dominican Republic suffers from an acute shortage of trained administrators in the agricultural sector, which is to the detriment of the rural poor. Recognizing this problem, the Instituto Superior de Agricultura (ISA) has decided to establish a training center for middle and higher level managers and administrators of public and private institutions in the agricultural sector of the Dominican Republic.

The purpose of the training center is to provide training of management skills to agriculturalists who administer human and financial resources, and whose experience and training is inadequate to fulfill their management responsibilities. This project, through improved management, will increase the efficiency and speed of services rendered by the agricultural institutions to the rural population. Improved quality of life and increased agricultural production and productivity are additional goals. ISA estimates that approximately 2,000 qualified people will be required over the next four years to staff the Dominican Government agricultural programs, which are designed to overcome present food deficits. No other institutions of this nature exist in the country.

The training center will develop and provide three levels of training programs:

A. Symposia - for the analysis of specific agricultural problems, and policies, for officials and academics associated with the agricultural sector.

B. Short-Term In-Service Training Courses - for agricultural managers and program leaders, emphasizing administrative techniques in specific problem areas.

C. A Medium-Term, Baccalaureate Level Diploma Program - in agricultural management and production.

The Center for the Administration of Rural Development (CADR), as it is tentatively named, will be located in and established as a permanent part of ISA.

II. BACKGROUND

A. The Problem

The food deficit in the Dominican Republic continues to mount. While the population has been increasing at an annual rate of 2.5%, the agricultural sector is unable to meet the required increases in food production.

The poverty of the population is such that 75% suffers from malnutrition, while the improvement of the standard of living of the urban middle classes has drastically increased the demand for such foods as meat, milk, rice, and beans. Thus the increase of population, especially of the impoverished population, and the lack of increased agricultural productivity have led to a serious shortage of food for these who need it most.

To avoid increasing dependence upon external sources for politically-sensitive basic commodities, the Dominican Republic must try to double food production within 15 years. The responsibility of meeting this challenge falls on the agricultural sector (both public and private) which currently cannot provide the required leadership because of the serious and increasing shortage of effective managers and administrators. While much effort has been placed in the specialized training of technicians, little priority has been given to the importance of the administrative capability of public sector agencies. Thus, implementation responsibilities are borne by technicians who, while qualified in their fields, have little background or experience in management.

The failure to address the management problem is manifested in the following symptoms: (1) the lack of systematic personnel development, which leads to sporadic assignments to administrative positions; (2) the narrow, technically oriented training at national institutions, which leave future civil servants ill-equipped to deal with project implementation problems; (3) the absolute lack of in-service training in management and administration; and (4) the lack of in-country facilities to provide such training.

In addition to the above-mentioned problems, the agricultural sector has its own particular management problems:

1) The Agricultural Sector in particular has a large number of trained, skilled technicians that are under-utilized as a result of poor management. This important resource of skilled technicians has been realized through long-term, concerted efforts of both the GODR and AID:

- Since 1962, AID has financed agricultural training for 409 participants, including 60 advanced degree levels.

- AID grant, loan, and PL-480 funds have assisted in the construction and staffing of college of middle level educational facilities, which now produce adequate numbers of agricultural technicians.

- Three agricultural colleges and five public and private vocational schools graduate 140 and 500 students respectively, each year.

2) The management problem would be complex enough, were the Agricultural Sector managed under one entity. In the Dominican Republic, however, there are nine separate, autonomous agencies which have separate (often over-lapping) responsibilities. These agencies are as follows:

<u>Name</u>	<u>Abreviation</u>	
(1) Secretariat of State for Agriculture	SEA	- maintain research & extension - manage sales of farm inputs - manage limited marketing services - formulate overall sector plans
(2) Agricultural Bank	AgBank	- manage concessional credit
(3) Office of Community Development	ODC	- provide training in rural organization - support self-help projects
(4) Institute for Development & Credit Cooperatives	IDECOOP	- promote rural cooperatives - train and assist rural cooperatives in their administration
(5) National Hydrologic Institute	INDRHI	- manage water resources (including irrigation)
(6) Agrarian Institute	IAD	- manage state lands
(7) State Sugar Council	CEA	- manage state sugar and ranch lands
(8) National Pricing Stabilization Institute	INESPRE	- set prices - run price-support program
(9) Dominican Military	-	- supervise forestry reserves

These nine agencies employ an estimated 15,000 persons, are responsible for the execution of at least \$250 million annually in programs, and are all undergoing major expansion. In addition to their independent responsibilities, many of these entities now participate in two major regional projects in the northcentral sierra and in the southwest. Further, the GODR is establishing an inter-agency commission for natural resource management.

The third major problem in the Agricultural Sector is the management of government-owned farms. Primarily through nationalization of Trujillo-owned lands, the government now owns some 570,000 hectares of land, which is now administered by IAD (360,000 hectares) and by CEA (210,000 hectares).

The demand for qualified agricultural managers, which is now growing rapidly, will continue to increase. The evolving government strategies for increasing productivity, production, and rural employment and incomes will require large numbers of well-qualified technicians and administrators to staff proposed programs for agricultural production, marketing, biomass energy, forestry and natural resources conservation, and agrarian reform. Illustrating the need for qualified managers, the Agricultural Development Plan 1980-1982 calls for at least 1,790 new agricultural managers to assist in

settling a proposed 92,000 beneficiaries of agrarian reform, 12,500 of which will be settled in the period 1980-1982. The GODR has tried to meet the various needs for managers and administrators in the agriculture sector by increasing the number of manager level positions six-fold since 1961 to a total of approximately 6,000 employees. But most of the people holding management positions only received training in technical fields.

B. Beneficiaries

The primary beneficiaries of the project will be the thousands of management level employees in the agricultural sector. About 510 per year will receive training after AID funding ends and the training center continues under host country auspices.

The proposed project will indirectly benefit the country's 1.7 million rural poor by improving the efficiency and effectiveness of agricultural and rural development programs. SEA estimates that out of 435,000 rural households, 185,000 own farms which range between one-half and five hectares. Some 52,000 own less than one-half hectare and 20,000 rural families own no land. The programs of SEA, the AgBank, ODC, IDECOOP, and IAD give priority to the rural poor majority. State-owned lands, now managed by IAD, are designated for redistribution to the rural poor. INESPRES's price policies also impact directly upon the poor. The resources managed by the Forestry department and CEA also relate to employment and income for the poor. Thus, better project management will increase the efficiency and accelerate the delivery of services to the poor.

C. Relationships of the Project to the CDSS and Host Country Priorities

1. Relationship to the CDSS

The Mission's Country Development Strategy Statement (CDSS) states that USAID/DR's "long-range goal is to improve the living standards of the rural poor majority in the Dominican Republic". Two of the specific objectives, which relate to reaching this goal, were supported by the project PID:

- Improved institutional capacity to deal with problems of poverty; and

- Increased small farm productivity of basic food crops which will lead to increased incomes and reduced rural unemployment and under-employment.

The project will support these objectives by promoting improved management capability among government and private sector employees and by increasing the capacity of these people to administer agricultural and rural development programs. Additional strategy components addressed in this project are the improvement of institutions and human resources and the consequential increase in food production.

2. Relationship to Dominican Priorities

Recognizing the need for improving the managerial capacity of the agricultural sector, a number of public and private leaders have recommended the establishment of a Center for the Administration of Rural Development (CADR) at the Instituto Superior de Agricultura (ISA) in Santiago. The Secretary of Agriculture and other leaders feel that ISA offers the best location for the Center due to its proven and respected record in agriculture. Through its faculty-sharing arrangements with UCMM (Universidad Católica Madre y Maestra) it has access to a wide range of expertise. The GODR is committed to the development of the center. To this end it is prepared to spend up to \$4.5 million for the construction of buildings and the installation of furnishings and equipment.

The proposed project will improve the prospects that the goals and purposes of all agriculture sector projects are achieved, particularly where administration and management are severe constraints. In addition, the project should result in a closer integration of all agricultural sector agencies, as officials from the various agencies jointly study and address common problems.

D. Roles of Women in Development

The training project recognizes the important role rural women play in the social, economic, political, and family life. Specific modules will be designed and incorporated in each of the three projected programs so that participants may increase their knowledge and awareness of the roles of rural women in agricultural production, processing and marketing, in generating income from home industries, in instructing children, and in striving to improve the quality of life in the home and the community.

Agencies will be encouraged to enroll women in the various programs, and the CADR housing arrangements are programmed to provide maximum flexibility for any distribution of students on the basis of sex. As an indication of current policy, 20% of ISA's university level students are women, and its percentage is increasing. The CADR intends to continue this practice.

E. Other Donor Assistance

To initiate training activities, ISA has sought and received assistance from a variety of sources. The Rockefeller Foundation's grant of \$7,000 provided initial consultants and travel funds. The W.K. Kellogg Foundation has donated \$284,650 for construction of a classroom building and to provide a full time professor/case writer. Through private donation ISA is constructing a student center which will be used jointly with the CADR.

III. PROJECT DESCRIPTION

A. Project Goals and Purpose

The broad agriculture sector goal of this project is to improve the income and quality of life of the Dominican Republic's rural poor, through increased agricultural productivity. The project's sub-goal is to increase the capacity of both public and private agricultural sector agencies to manage the financial, human, and material resources allocated for rural development. The project will contribute to these goals by: (1) improving the management capabilities of top-level officials responsible for planning and policy; (2) providing in-depth management training concerned with specific crops; and (3) addressing the needs of mid-level management through a broader based management program. The incomes and productivity of the rural poor will increase, as the improved management of both private and public sector agencies results in more efficient and effective delivery of their services to the target group.

The purpose of the project is to establish an institutional capability to provide in-service, in-country training opportunities to upgrade management skills of public and private officials working in the area of rural development.

B. Project Activities

The project will provide for necessary training, equipment, technical assistance, and physical facilities required for the management training program; and will draw from several local and international funding sources.

1. Implementing Agency

The implementing agency, the Instituto Superior de Agricultura (ISA), located in Santiago, was founded in 1962, with funding from the GODR and AID. Although the Institute receives some subsidies from the GODR, it is primarily a private Institute, managed by a Board of Directors comprised of some of the most prominent businessmen in the country. The Institute currently offers agricultural degrees in specific technical areas, at both the high school and university levels. Since its inception, 574 high school and 209 university degrees have been awarded in areas of Agricultural Engineering (high school), Farm Management, Agricultural Education, Agricultural Mechanization, Agricultural Economics, Horticulture, and Crop Technology.

To help meet the growing need for rural development management training, ISA now plans to establish a Center for Administration of Rural Development (CADR). Together with experts from the International Agricultural Development Service (IADS) and the University of Virginia, ISA has already developed an initial design for the project, using (in part) the methodology of the Instituto Centroamericano de Administración de Empresas (INCAE) and the

Harvard School of Business Administration. The project will assist ISA in developing its capacity to plan and implement management training programs in the rural sector.

2. The Program

The program will utilize modules as the basic program unit, and a series of modules to develop program activities. A module is a set of four classroom sessions, or "teaching events", each of which is 80 minutes to two hours in length. A teaching event is a lecture (followed by exercises), a case study, or a laboratory.

A developed module has three parts: (a) the statement of objectives, (b) the teaching and reference materials to be used, and (c) the teaching plan. These are discussed in greater detail in the technical analysis section.

The major advantages of the module are in its flexibility and manageability. A module, once in place, may be plugged into a seminar, or a degree program. Also, since each module requires roughly the same amount of time (and, therefore, money) for its preparation and delivery, the time schedule and budget can be accurately assessed ahead of time.

Utilizing the module approach, the Center will provide management training at three levels: (1) 1-3 day symposia for policy-makers, (2) 5-week Management Development Programs focussing on specific subject areas, and (3) a 5-month, broad-based, diploma program in Agricultural Management.

a. Symposia for Policy-Makers

The symposia program will provide a forum for top-level administrators of the agricultural sector, to explore and exchange ideas regarding strategies for the acceleration of rural development. This will also serve to open lines of communication among the participant policy-makers, private sector leaders, and the professional staff of the Center.

The Center proposes to provide three symposia per year; one of one day's duration, and two of three days duration; the former attended by a maximum of 30 persons, and the latter by a maximum of 50 for an annual total of 130 persons. The typical one-day seminar will consist of two case studies concerning the Dominican Republic, followed by discussion and the exchange of ideas. The three-day symposia will provide 3 lectures and exercises, 4 Dominican case studies, and 2 foreign case studies. (Foreign case studies are more readily available, provide a greater variety from which to choose, and usually result in a greater degree of objectivity in the discussion which follows.)

b. Management Development Program

The general objective of this program is to augment the administrative capacities of persons in decision-making positions within the agricultural sector -- not only at the national, but also at the regional and local levels, and will include small farmers and farm managers. The program will be designed so that specific objectives and subject areas of interested institutions will be addressed.

The Management Development Program will be designed for a 5-week duration, and will consist of 21 lectures and exercises, 24 laboratories, 22 Dominican case studies, and 21 foreign case studies. In this program, carefully-designed field studies will be included. Five such programs, each focussing on a separate subject area (such as "Improving Rice Production Among Small Farmers"), will be provided each year, once the program is in full operation. Each program will be designed to accomodate 60 participants for an annual total of 300.

c. Diploma Program in Agricultural Management and Production

The general objectives of this program are to increase the managerial capabilities of the mid-level professional, who has an exceptional record of performance. The program is designed to teach the participant methods of: (a) assisting farmers in solving problems, (b) managing resources and rural development activities, (c) solving basic technical and socio-economic problems, and (d) identifying his role in the national development process.

This five-month program will consist of 85 modules in the following eight topical groups:

- (a) the national agricultural setting;
- (b) techniques and concepts of management and economics;
- (c) goal setting, managerial planning, and decision-making;
- (d) organization and implementation;
- (e) evaluation;
- (f) group and individual behavior;
- (g) communication principles and practices; and
- (h) field laboratories.

This five-month program, which will be offered twice annually, will be designed to accommodate 40 persons for an annual total of 80. The program will be broken into two or three periods, providing short recesses for the enrollee to return to his/her job. This will not only permit the enrollees to maintain close ties with their work responsibilities, but also will provide them the opportunity to apply and practice newly acquired skills and insights.

In conclusion, the three levels of programs proposed will offer the following number of "Teaching Events":

PROGRAMS

Teaching Events	1-3 Day Symposia	3 Day Symposia	5 weeks Management Program	5 months Diploma Program
1. Lectures/Exercises	-	3	21	103
2. Laboratories	-	-	24	12
3. Dominican Case Studies	2	4	22	78
4. Foreign Case Studies	-	2	21	111

C. Project Inputs

AID Grant funds for this project will provide ISA assistance in staff training (\$134,000); technical assistance for case writing and curriculum development (\$605,000); and purchase of teaching equipment and educational materials (\$61,000). Currently, ISA has some 260 students enrolled in its high school and university programs, and is functioning at near full capacity. The proposed program, with 30 to 50 students attending each symposia, up to 60 in each management program, and 40 in each diploma program, will thus have as many as 100 students (40 + 60) at any given time. Although the facility is located near Santiago, it is in reality in a rural setting -- with no urban amenities such as rentable housing, buildings or restaurants, within reasonable reach. Thus the project must not only provide the required additional staff, but also the physical facilities for an additional 100 students. Furthermore, as the participants will be experienced professionals, their living requirements will be on a different level than those of the current student body of high school and university students.

The inputs may be divided into three categories: (1) Human Resources, (2) Physical Plant, and (3) Equipment and Operation Costs.

1. Human Resources

In terms of human resources, the Center will require an administrative staff, a trained faculty, and additional technical advisors to serve as program planners and case writers, and management consultants.

a. Administrative Staff

The administrative staff will consist of the following:

<u>Position</u>	<u>Responsibilities</u>
Executive Director	All operations and policy of CADR: <ul style="list-style-type: none">- liaison with advisory groups- staff recruitment- coordination of fund raising
Assistant Director for Programs	All academic programs and activities: <ul style="list-style-type: none">- classroom instruction- curriculum development- coordinate field laboratory activities
Assistant Director for Administration	Provide and coordinate all supportive and administrative activities: <ul style="list-style-type: none">- housing facilities- budgetary control- etc.
Head of Classroom Instruction	Coordinate classroom instructional activities: <ul style="list-style-type: none">- planning- development- conduct instruction- curriculum resource material development
Head of Field Laboratories	Coordinate all field activities, in terms of: <ul style="list-style-type: none">- design of lab modules- monitor participant activities- integration with classroom instruction

The funding, placement, and training of this CADR administrative staff, will be the responsibility of ISA. Some off-shore short term courses will be funded by AID. In addition to the above administrative staff, a coordinating office will be set up, which will operate from the headquarters of the Secretariat of State for Agriculture (SEA). A Liaison Officer, responsible for selection of participants and for maintaining ties with CADR, will be located in Santo Domingo, on the CADR payroll, with office space provided by SEA. This office will channel student-participation requests to the CADR from agencies based in Santo Domingo, such as SEA, the Price

Stabilization Institute (INESPRE), the Agricultural Bank (AgBank), the Institute for Agrarian Reform (IAD), and the Institute for Water Resources (INDRHI), as well as private sector entities.

b. Professional Staff

The Center will need to train eight professors in the following categories:

<u>Position</u>	<u>No. Required</u>	<u>Description</u>
1. Economist	1	Rural development economics or agricultural economics.
2. Management Specialists	3	All with strong background in economics, one marketing specialist, one public management specialist.
3. Communications Specialist	1	Strong background in social sciences, social psychology, cultural anthropology, and rural sociology.
4. Organizational Behavior Specialist	1	Includes training in organizational behavior, individual motivation, and the dynamics of social action.
5. Field Laboratory Technicians	2	With technical training in conceptualizing, developing, and conducting field laboratory modules.

In addition, some training will be required for the administrative staff and for laboratory assistants.

The training is composed of four different levels, the first three of which will be funded by AID:

(1) Pre-MBA, English. Eight participants will receive 6 to 7 month's training in the United States, to improve English from a 400 to 500 level on the TOEFL scale, and to receive introductory business courses in accounting and statistics. These participants will be the MBA candidates required for faculty positions.

(2) Short-Term Management. Four candidates will receive a 3-month course in the United States, on how to teach business management. This is for faculty members who will be teaching at the Center, and already have advanced degrees, but are lacking in management training.

(3) Short-Term Agricultural Course. Six ISA graduates will receive 6 months of training at Centro Internacional de Agricultura y Tecnología (CIAT) in Colombia, or at Centro Internacional del Mejoramiento del Maíz y el Trigo (CIMMYT) in Mexico, on how to conduct agricultural laboratories. Graduates will then serve at CADR as laboratory assistants.

(4) MBA Program. The eight people selected for the faculty positions will receive the degree training necessary to fill the positions. This program will be funded by scholarships from the Kellogg Foundation.

c. Technical Assistance

Short-term and long-term technical assistance will be provided to the CADR. The short-term technical assistance will consist of consultants which will work for two weeks per year, for a total of 24 person/weeks. They will be experts in the design and implementation of lectures, laboratories, and case studies, who will train CADR personnel to update and otherwise revise the modules being used.

There will be two-long term case writers: one senior level case writer (for 4 years), and one experienced assistant (for one year). The senior level case writer will be responsible for the training and supervision of CADR case writers, and the teaching of some of the classes. The assistant will do mostly case writing as well as class instruction. With their assistance, the case studies should be prepared and in place by January 1984, when classes begin. The advisors will remain an additional year to supervise the newly-trained faculty in case writing and classroom instruction.

In addition to case writers a long-term senior management advisor will be hired. This person will act as advisor to the CADR executive director in the area of planning, organization and personnel management. The senior management advisor will provide the CADR with the needed experience to ensure its success in the initial years of its existence.

2. Physical Plant

The preliminary plans for construction were prepared by an Arizona architectural firm (Freedland) under an AID contract paid for out of PD&S funds. This is the same firm that designed the existing ISA campus so that the new buildings under this project will be similar in design. With these plans in mind, AID and ISA conducted lengthy negotiations concerning the construction component of this project and agreed that the following four buildings would be constructed under this project:

(1) Classroom Building - will consist of two large classrooms for lectures, and fourteen small classrooms for small group activities.

(2) The Cafeteria - will be remodeled with a second floor to accommodate the CADR participants.

(3) Dormitories - will be built with 100 single rooms for CADR students.

(4) New Office Building - will consist of two stories of office space for the CADR administrative staff.

The construction of the classroom building is being funded by the Kellogg Foundation, while the construction of the other buildings will be funded by the GODR. Cost estimates for these buildings as well as GODR-financed equipment costs are on file in the Capital Resources Development Office, in AID/Dominican Republic.

3. Equipment and Operations

The equipment required for this project will be needed to furnish the buildings, and to provide teaching materials necessary for classroom and field instruction. In addition, eight vehicles will be required for staff use, field studies, and field trips. Funding for equipment and commodities will be shared by AID grant funds (for imported materials) and GODR funds for items produced locally.

D. Outputs

By the end of FY-1983, outputs in four categories should be in place: (1) a trained faculty and staff; (2) case studies, lectures, and laboratories prepared and ready for the instruction stage; (3) a number of programs already taught with a corresponding number of graduates; and (4) physical facilities constructed and fully equipped. Although some courses will already have been given, the doors of the Center will officially open in January 1984, when the program will begin to function at full capacity. To provide the reader with a more complete picture, the dates December 1983 (before the doors officially open) and December 1985 (two years after the official opening) will be used to illustrate the number of outputs.

1. Trained Faculty and Staff

By December 1983, a faculty of eight professors with MBA's in specialized fields will be trained and ready to provide some class instruction. In addition, at least four laboratory assistants will have received training and will be in place to perform their tasks. Finally, four members of the administrative staff will have received the short-term management course in the United States, so that they will be more knowledgeable of the management courses being taught at the Center.

2. Case Studies, Lectures, and Laboratories

While the faculty candidates are in pursuit of their MBA's, the long-term consultants as well as other staff at ISA will be preparing case studies, lectures, and laboratories in anticipation of the opening of the

Center. They will also be available for the first six months of 1984 to assist the new faculty in their initial courses. The process of class preparation will continue, and the modules will be updated or replaced as required.

It is anticipated that the output of new "teaching events" for all three programs (symposia, management, and diploma) will be as follows:

New Teaching Event	1981	1982	1983	1984	1985	Total
Laboratory	-	24	40	32	32	128
Lecture	-	24	80	60	60	224
Foreign Case Study	-	23	100	40	40	203
Dominican Case Study	6	24	40	24	24	118
TOTAL	6	95	260	156	156	673

3. Graduates

Whereas most of the staff efforts will be in preparation for the opening of the Center, some programs (especially the shorter ones) will already be underway in 1981 through 1983 period. These are proposed as follows:

	1981		1982		1983		Totals	
	No. of Pro-grams	No. of Stu-dents						
Symposia (one day)	3	90	2	60	1	30	6	180
Symposia (three days)	-	-	1	50	2	100	3	150
Management (five weeks)	-	-	1	60	3	180	4	240
TOTAL	3	90	4	170	6	310	13	570

Beginning in 1984, the program will be operating at full capacity, so that the programs and number of students will be as follows:

	1984		1985		1984 + 1985		Total 1981+1985	
	No. of Pro-grams	No. of Stu-dents						
Symposia (one day)	1	30	1	30	2	60	8	240
Symposia (three days)	2	100	2	100	4	200	7	350
Management (five weeks)	5	300	5	300	10	600	14	840
Diploma (five months)	2	80	2	80	4	160	4	160
TOTAL	10	510	10	510	20	1,020	33	1,590

4. Physical Facilities and Equipment

It is anticipated that the 4 buildings, vehicles, and equipment (listed under "Inputs") should be completed, operable, and in place by September 1983.

In addition to the above short-term outputs, the longer term outputs will be: (1) the Center for Administration of Rural Development (CADR) will be a viable, national institution capable of continuing training for 510 participants per year; (2) a large corps of professionals will be capable of managing projects benefiting a large target group; (3) farmers and the private agricultural sector as a whole will be more productive as a result of more effective services managed by CADR graduates.

IV PROJECT SPECIFIC ANALYSIS

A. Economic Feasibility

1. Investment in Human Capital

The most abundant and under-utilized resource available to developing countries is the human resource. In the case of the agricultural sector in the Dominican Republic, this under-utilization manifests itself when well-trained technicians are poorly managed by administrators who lack management training. This results in inefficiencies in three broad categories:

a. The small farmer does not benefit from the services he could receive, were the agricultural technicians properly managed.

b. The government agricultural sector budget is not utilized in the most efficient and effective way, resulting in waste of public financial and human resources.

c. The private sector, also lacking in efficient management, does not achieve the production it could achieve, were its resources properly managed.

This section summarizes the economic analysis contained in Annex 2. The analysis attempts to quantify how this project might benefit the small farmer, the public sector, and the private sector. As human capital is, in essence, unquantifiable, the numbers used are only intended to illustrate what benefits that improved management can provide.

2. Methodology

In Annex 2, the detailed explanation of the methodology and calculations is provided. This is a brief summary of that methodology:

a. Project Benefits. The benefits calculated fall in three categories: benefits to the public sector; benefits to the private sector; and benefits to the small farmer.

The number of public sector graduates from the CADR have been calculated over the next 25 years. Then, the amount of the public sector agricultural budget, for which the CADR graduates will be responsible, and the amount that they could save the government through increased efficiency have been estimated.

The private sector benefits were calculated in a similar manner, first calculating the number of private sector CADR graduates over the next 25 years. An estimate of the "private sector budget" has been provided, utilizing the value of the four lending export crops. The amount of that budget for which CADR graduates will be responsible, and the increased production resulting from more efficient management has been estimated.

Third, an estimation of the amount of increased income to the agricultural small farmer, resulting from improved agricultural services through better management by CADR graduates has been calculated.

b. Project Costs. The project costs, of course, are easier to calculate. Since all of the benefits are expressed in RD\$ (pesos), the costs also must be converted to pesos. Since the shadow price more accurately reflects the true value of the peso, the foreign exchange components have been converted to pesos at 1.25:1.

The operations costs of RD\$785,000^{1/} and the total GODR contribution is RD\$3.5 million ^{2/}, have been used.

^{1/} Since reduced to \$734,000.

^{2/} Since adjusted to \$3,555.

c. Conclusion. The project costs and benefits discounted at 16% and 17%, show the following results:

	<u>Net Benefits Discounted at 16%</u>	<u>Net Benefits Discounted at 17%</u>
Benefit/Cost Ratio	1.09	0.95
Net Present Value	RD\$315,000	RD\$ - 116,000
Internal Rate of Return (Interpolated)		<u>16.73%</u>

d. Cost per Student. In a second analysis, a cost comparison has been made between the CADR program, and a similar program at the University of California, San José. The cost per student week at the CADR came to RD\$240^{1/} while the cost per student week at San José came to RD\$681. The CADR program, then, would cost about 35% of what it would cost to send a student to a comparable program off-shore. Assuming the quality of the program at the CADR will be at least equal to alternative programs, the Dominican Republic agricultural agencies will find it to be cost effective to send participants there.

This is almost three times as much as the \$240 cost per student week at CADR. Assuming that a Dominican with an MBA can teach as well as an American with an MBA, the quality should be about the same. Further, the CADR will address rural development problems specific to the Dominican Republic -- a comparative advantage that a U.S. institution simply could not adequately match. As long as there is a demand for trained managers in the agricultural sector (and this should always be the case), the CADR offers the best training opportunity at the lowest cost.

B. Social Soundness Analysis

This section follows the format contained in Appendix 4.A. of Handbook 3. The Appendix lists three distinct but related topics for treatment in this analysis: (1) the compatibility of the project with the socio-cultural environment in which it is to be introduced; (2) the likelihood that the new practices or institutions introduced among the initial project target population will be diffused among other groups; and (3) the social impact or distribution of benefits and burdens among different groups, both within the initial project population and beyond.

1. Socio-Cultural Feasibility

Primary participants in the project are administrators of agricultural projects. For the most part, these participants are technicians with

^{1/} Using \$784,000 as the operations cost.

college degrees, or the equivalent in the form of training certificates and job experience. Priority will be given to people already working as managers of agricultural activities in selecting students for training. A need which is widely expressed by both individual managers and by their employing agencies, is better administration of agricultural projects. While managers appear to be motivated to take advantage of training opportunities, additional motivation is likely to come from steps to create a professional civil service by the GODR. As tenure and promotion become tied to preparation and performance, training will gain in importance.

At present, most agricultural managers have been trained in specific technical fields, and have advanced to administrative positions. These managers learn management skills on the job. While a few have demonstrated natural talent for administration, the general situation is haphazard. Planning, coordination, and implementation are inconsistent and usually behind schedule. These problems are particularly critical in the agricultural sector because of its importance to the overall health and economy of the Dominican Republic, and because of the resultant size of budgets allocated to public agricultural programs.

Agricultural managers are aware of their responsibilities and of the need to increase their skills as administrators. They are open to recommendations and instruction, so that this development training program fits easily into the context of their professional lives.

The ultimate beneficiaries of the project are the 1.7 million rural poor who are the primary target group for USAID/DR's assistance. Although there are poor people throughout the country, the greatest concentrations of the rural poor are in the southwest, the northwest, the frontier, and the central highlands. The poor are particularly dependent upon public services simply because they cannot afford private alternatives.

According to the latest GODR figures, there are 254,000 small farm households with 6.4 persons per family. The average size of these farms is 2.3 hectares. The family lives in a one room house with a dirt floor. The farmer and his wife have had about three years of schooling each, and while both can write their names, they are functionally illiterate. The farmer is unemployed or underemployed through much of the year. Most of the family's income is spent on the most pressing necessities; little money is available for clothing, education, or family emergencies. Few public or private services are available, and the family's limited resources do not allow latitude for self-help measures without some form of outside assistance.

Although there are important rural development programs conducted under private auspices, the greatest source of assistance to the rural poor is the Dominican government. Government services range from major infrastructure projects down to local elementary schools and visits by extensionists. From experience, the popular rural attitude toward the government is that public institutions are benign but capricious. The government is

perceived as well intended and capable of delivering valuable services, but unpredictable and undependable as to when it will deliver and as to what the quantity and quality of its acts will be. Timing of services is especially important in the agricultural sector, where it has a direct impact on the crop cycle.

In the past, a popular practice was to lobby for government services through a "patron". The patron might be a local priest, a large land owner, a military official, or any other figure perceived as being able to intercede with the power structure on behalf of the particular rural people or community. Another practice was to petition for water, electricity, land, schools, etc., during the visits of leading political figures such as the President of the Republic or his cabinet members. Promises were fairly easy to elicit, particularly during election campaigns, but delivery on promises was spotty. As the political process is becoming more sophisticated, allocation of public programs is becoming more systematic. Local politicians are becoming important links in securing benefits from the government.

Despite low levels of education, lack of resources, traditional practices and values, and understandable skepticism toward the government, small farmers generally cooperate in public projects. The Dominican farmer is an empiricist. Most of his practices are based on experience. He is most likely to accept new ideas through demonstration and experience.

An important element in this project will be instruction for public administrators in communication and small group organizations. These efforts should improve acceptance and effectiveness of government projects, and link government programs to the intended beneficiary.

2. Spread Effects

There are strong indications that new methods and ideas travel rapidly within the rural areas of the country. The use of pesticides, for example, is now widespread. Most farmers use some form of chemical for pest control, and most have learned from their neighbors or from local merchants. The spread of pesticide use has far outstripped agricultural extensionists' ability to provide instruction in the proper and safe application of potentially dangerous chemicals.

A more recent and more positive example of the diffusion of a new idea is found in methods of housing construction. During the hurricane disaster in the late summer of 1979, thousands of rural homes were destroyed. Both CARE and CRS introduced in a few communities the use of poured concrete slabs as a low cost method of home construction. This new style of building is now being used in many locations, and far beyond the communities where it was introduced.

Also, in a systematic effort to improve health conditions, the Secretariat of Health has a public health program which is implemented at the

community level by local volunteer "promotores". Dramatic reductions in infant mortality and other health problems have resulted. The program's success is evidence of the spread of improved practices, with local rural people as the agents of change.

This project is structured to improve the diffusion of ideas. Government managers will receive instruction on topics such as managing appropriate technology, and organizing farmers. Grassroots participation in projects, better communication of ideas, and the use of local leaders as change agents are a few of the approaches which will be included. The aim of these activities is to systematically spread improved practices directly to as many farmers as possible, and indirectly to their neighbors.

3. Social Consequences and Benefit Incidence

a. Access to Resources and Opportunities: The GODR is budgeting significant amounts for agricultural activities. Some \$256.4 million (20.8% of the national budget) is allocated for agriculture in 1981, and the trend is for heavier investment each year. The small farmer is the target beneficiary for many of the government's programs. The thrust of this project is to improve the small farmer's access to public programs by improving the planning and implementation of government developmental activities.

b. Employment: Improvements in agricultural programs should increase rural employment and income. Better farming practices should have immediate positive impact on rural employment.

c. Rural Displacement, Migration, and Urbanization: Rural to urban migration is a significant and apparently growing trend. This project is unlikely to halt the trend, but may mitigate displacement to some degree. Improvements in rural life and income are the aims of many public projects. This AID project aims at improving the effectiveness and outreach of GODR programs for the rural poor, which in turn should decrease migration.

d. Changes in Power and Participation: This project aims at greater inclusion of rural people in the planning and implementation of public projects. Grassroots participation is sought by the GODR, and encouraged in the developmental process. By instructing government managers in basic social and economic concerns, the desired redistribution of more power to rural people should be enhanced.

C. Technical Feasibility

1. Background on Instructional Strategy

The planning, design, and development of the instructional strategy of CADR is based on principles generally identified with the use of the inductive approach to achieving educational objectives. This approach is accepted by most professional educators and trainers as the most effective,

efficient way to help educated adults develop analytical, problem-solving, and human relations skills.

The case method, as with other inductive approaches to instruction, enables the participant learner to relate his own experience to a particular issue and to exchange ideas with other participants. For the participant, the case method develops an awareness of a process in which many factors interact in different ways depending upon conditions or circumstances. Out of the discussion and analysis, each person acquires sensitivities to conditions which guide his future managerial performance.

The program to be implemented in this project is based on the work of consultants, the direct experiences of Dominicans with both rural development and case method training, and the successful completion of a pilot seminar for some 90 Dominican managers, decision-makers, and administrators in the agricultural sector.

In early 1981, ISA had opportunity to pre-test the proposed approach in a special seminar presented at Puerto Plata, Dominican Republic, in collaboration with the Secretaría de Agricultura (SEA) and the International Maize and Wheat Improvement Center (CIMMYT). This was a special version of a case study seminar which CIMMYT has developed and had conducted in various parts of the world for senior agricultural officials.

The Puerto Plata seminar, organized and managed by the initial staff of CADR, focused on policies designed to increase agricultural production. The program included two Dominican case studies developed by the CADR staff.

The evaluation of the program indicated that the seminar, using the concept of a new approach to management training, was effective and successful. All the participants requested that similar seminars be available to them on a regular basis, and suggested specific topics for subsequent events.

Based on the experience of this seminar, the resultant demand for more training of this nature, and the known need for better management, this project proposes to build, equip, and staff a Center which can provide such services.

2. Training Approach, Organization, and Materials

The Center's various programs will be intensive, full-time, tightly integrated, pragmatic experiences, using modules as the basic program unit and using a series of modules to develop program activities. A module is a set of four classroom sessions (teaching events), each 100 minutes in length (average), and each organized around a specific management topic, technique, or laboratory experience. In any given program activity, more than one module on a specific topic, technique, or laboratory may be given, depending upon the needs of the participants and the client organization.

A developed module has three distinctive parts: (1) the statement of the module; (b) a statement of the performance objectives of the module; and (c) a statement which identifies pre-requisite modules, if any, and any modules for which the given module is a pre-requisite.

The second part of a module is the teaching and reference materials to be used in the module. The selection of the material is preceded by a careful review of available materials and the identification and development of any new materials that may be needed. Accompanying the teaching and references materials are: (a) a list of study and self-preparation questions and exercises that will be distributed to the student; (b) classroom teaching questions which are situational and problem-oriented, and are designed to elicit discussion; and (c) any audio-visual and other instructional materials that the instructor will use in the classroom.

The third part of a module is the teaching plan for the module. For each session in the module, the following will be stated: (a) the relation-ship of the session to the other sessions in the module; (b) the major points to be covered during the class session; (c) a schedule showing the amount of time in the class session that will be devoted to each point; and (d) a chalk-board plan showing how the class discussion will be organized.

The module was selected as the basic program unit because of its inherent flexibility. A specific program activity can consist of any given number of modules, depending upon the purposes, content, and length of the activity. Furthermore, once a module has been designed, it can be used in a symposium, the Management Development Program, or the Diploma Program. The teaching of a module would differ, depending upon the program of which it is a part, but the basic resource materials used in a given module would be essentially the same regardless of the program.

Consequently, a major activity of the Center will be the identification of areas in which modules are needed, and the development of the content and methods for these modules. This will include field research in management problems and the development of case studies and other teaching materials based on Dominican experiences.

The two basic instructional formats to be used in the Center will be: (1) the case method, and (2) field laboratories.

a. The Case Method

The case method is a decision-oriented format in which the students examine actual management problems in agricultural and rural development. It is a written description of a management problem or situation which the reader is asked to analyze, evaluate, and in most instances make a recommendation as to a future or alternative course of action. The case method utilizes the principle that, in order to learn and be able to make decisions, an individual must be actively involved in the analysis of real situations. The rigorous analysis required is a means of developing a process of both

logical thinking and in-depth research before reaching a conclusion. The case method, not only serves as a means to develop managerial and decision-making abilities, but also can be used as a means for altering attitudes.

The primary strengths of the case method are as follows:

- It directly involves the participants in an active mode, so that the instructor can readily determine from questions whether the participants comprehend the important points inherent in the case.

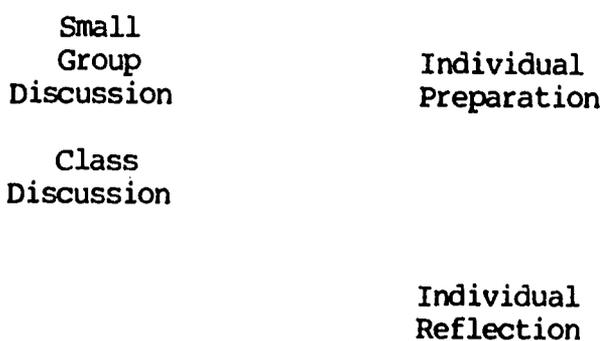
- It involves the students in the analysis of a real life case in which they are provided with the same information as the manager actually facing the problem.

- It is very interesting to the participants, as they can contribute to class discussion from their own experiences and training.

- It is an excellent tool for integrating different disciplines and perspectives; (integrating and coordinating the programs of different agricultural sector institutions is one of the more important objectives of the CADR).

The case study experience consists of four distinct but integrated steps for the student: (1) a period of individual preparation, (2) a period of small group discussion with four to six other people, (3) a classroom discussion involving up to 60 students and the guidance of a trained case method teacher, and (4) a brief period of reflection in which the participant identifies individually what he has learned from the given case.

An abbreviated diagram of the process can be seen below:



A typical student day will consist of three classroom sessions, each of which will be an average of 100 minutes in length. Remaining time will be spent in individual and group preparation and activities. The programs will usually have classes five and one-half days per week or a total of 17 sessions per week.

b. The Field Laboratories

Field laboratories will deal with on-the ground experiences such as identifying diseases of specific crops, irrigation planning, etc. Laboratory experiences will be held in the afternoons and will most likely will be longer than 100 minutes in length (incorporating time devoted to individual and small group preparation.

3. The Typical Program

Annex 3, Exhibit A is an example of the design of a five week management development program on "Improving Rice Production Among Small Farmers". This suggested program consists of 22 modules or 88 teaching events (22 modules x 4 sessions per module = 88 sessions). This constitutes a 5-week program (84 sessions - 17 sessions per week = 5 weeks).

There are three levels of instruction proposed for the Center, ranging from short symposia to an entire diploma program. In each of the three, the programs are designed specifically for different audiences and to address different needs.

a. Symposia for Policy Makers

The symposia program will provide a forum for top-level administrators of the agricultural sector to explore ideas and exchange information regarding strategies for the acceleration of agricultural and rural development. In addition, a communication channel between participants and the management and staff of the Center will be opened.

The Director of the Center will confer with the senior administrators of the public agencies, and thereby directly involve them in developing criteria and selecting topics for the symposia. At the same time, he can solicit suggestions as to the frequency, length, and location of the seminars. There will be 3 symposia per year; one of one day duration (one module), with a capacity of 30 people, and two of 3 days duration (two modules), each with a capacity of 50 persons.

Participants will be selected by two complimentary processes: first, the Center will formally invite certain high-level functionaries; and second, the institutions themselves may suggest the names of certain administrators who would benefit from the experience. The acceptance of the latter will depend upon the limitations of the facilities.

b. Management Development Program

The general objective of this program is to augment the administrative capacities of persons in decision-making positions in the agricultural sector, at the national, regional, and local levels, and of small farmers and farm managers. The program will be designed so that specific objectives of interested institutions will be completed.

The Management Development Program will be run for 5 weeks and consists of classroom instruction using the case method, and field experiences. A given development program will vary in content depending upon the managerial needs of the participants and the sponsoring organization.

Generally, participants will be nominated by their employing organization or sponsoring institution. Applicants will be screened and selected by the Center. Criteria used will depend on the development needs of the country, the maturity of participating organizations, and the ability of the Center to respond to demands.

c. Diploma Program in Agricultural Management and Production

The objective of this program is to increase the capabilities of the experienced professional to: (a) assist farmers in solving problems which limit agricultural productivity, (b) manage resources and activities relevant to agricultural and rural development at the community level, (c) relate his efforts to the basic technical and socio-economic problems of the Dominican Republic, and (d) identify his significant role in the national development process.

The Diploma Program in Agricultural Management and Production will be run for 20 weeks and consist of classroom instruction, case studies, and field laboratory experiences. The program will consist of 85 modules organized into 8 topical groups:

- The national agricultural situation;
- Techniques and concepts of management and economics;
- Goal setting, managerial, planning, and decision-making;
- Organization and implementation;
- Evaluation;
- Communication principles and practices;
- Organization, group and individual behavior;
- Field laboratories (Annex 3, Exhibit C).

The specific modules and their content will be determined in consultation with the organizations engaged in agricultural and rural development in the Dominican Republic.

This program will require a total of about 5 months of resident study, and will be divided into two or three periods with the intervening time being spent on the job. Such an arrangement will provide the opportunity for enrollees to practice newly acquired skills and to maintain close ties to their work responsibilities while enrolled.

Potential participants will apply for admission to the Diploma Program on an individual basis. Applicants will be expected to: (1) hold a high-school diploma, (2) have at least two years of professional experience, and (3) be personally committed to the agricultural and rural development of the Dominican Republic. The current employer of the applicant will complete a confidential form which will request information on the work experience, performance, professional competence of the applicant, and probable contribution of the Diploma Program to the individual's professional development. Final selection will be made by the administration and faculty of the Center.

The performance of the participants will be continuously monitored by both staff and candidates' employers according to a set of evaluation standards. Those who fail to meet minimum standards will be withdrawn, while those who successfully complete the requirements for the program will be awarded a diploma in Agricultural Management and Production.

Participants who successfully complete the program will have mastered the basic managerial and planning skills necessary for agricultural administration, as well as technical and communications skills needed to implement agricultural programs. In addition, they will have gained the motivation necessary to solve the problems they have learned to analyze. (For a listing of modules offered under this program, see Annex 3, Exhibit C.)

4. Operational Plan for Curriculum Design and Program Implementation

Each program module will consist of 4 "teaching events" averaging 100 minutes each. Thus a 5-week management program involving 22 modules has been derived from 88 different teaching events divided as follows:

<u>Teaching Event</u>	<u>Number</u>
Laboratories	24
Lectures and Exercises	21
D.R. Case Studies	22
Foreign Case Studies	<u>21</u>
Total	88

Dominican Republic case studies have been programmed for those teaching events which would most benefit from a domestic content. Foreign case studies are programmed to bring examples of alternative problems and decisions made in other countries, and to take advantage of the vast bibliography of case studies available from management programs such as those at Harvard and INCAE. The CADR staff would only have to identify the foreign case studies which are useful to the program, and arrange for the translation of cases which are not in Spanish.

The 5-month diploma program involves 304 teaching events (76 modules), divided as follows:

<u>Teaching Event</u>	<u>Number</u>
Laboratories	12
Lectures and Exercises	103
D.R. Case Studies	78
Foreign Case Studies	<u>111</u>
Total	304

The curriculum content is being programmed by the initial CADR staff, and is identified in Annex 3, Exhibit D. This is a calendar that: (1) describes when each program is scheduled, (2) includes the specific teaching event content of each program, and (3) provides a listing of the new teaching events to be prepared every year from 1981 to 1985. 1983 will be the peak year in "teaching event" development. New teaching events prepared that year will be:

<u>Teaching Event</u>	<u>Number</u>
Laboratories	40
Lectures and Exercises	80
D.R. Case Studies	40
Foreign Case Studies	<u>100</u>
Total	260

The 1983 peak in teaching-event development is due to the 5-month Diploma Program coming on-stream in January, 1984. Once the Diploma Program has been initiated, the content of this program will only require minimal up-dating from year to year.

However, the 5-week management programs will be continually redesigned to address rural development problems and to meet specific development training needs. Therefore, from 1984 on, when the CADR will be operating at full capacity, there will be a constant need to create new teaching events. From 1984 on, the projection for new teaching-event development will be:

<u>Teaching Event</u>	<u>Number</u>
Laboratories	32
Lectures and Exercises	60
D.R. Case Studies	24
Foreign Case Studies	<u>40</u>
Total	156

U.S. universities, which are active in the Dominican Republic, will be encouraged to use their Title XII Strengthening Grant Funds to develop instructor/advisor exchange programs with the CADR.

Annex 3, Exhibit E describes the year-to-year manpower requirements for the CADR program. This Exhibit indicates which positions will be filled by Dominicans and which by out-of-country expertise. Generally speaking, consultants will be employed for curriculum design (total of 21 work-days per year), and full-time out-of-country professionals will be used for start-up supervision and implementation (total of 3 professionals per year).^{1/}

D. Alternative Project Designs

The conceptualization and design of the project has evolved during the last several years. ISA played a major role in formulating the project. The current project design is a result of assessments of rural development problems conducted by ISA private Dominican citizens and host government officials, and by various approaches to their resolution proposed by two U.S. advisors. To date, the approaches to problem resolution, which have been considered and rejected in favor of the proposed design, include the following:

^{1/} Consultants which the CADR will call upon include Dr. F. Byrnes, Training Program Officer for the International Agricultural Development Services; Dr. E. Felton, Dean of Graduate Business Administration at Wake Forest University; Dr. H. Strachan, Director of INCAE. Full-time out-of-country professionals which CADR can call upon include Dr. J. Edmunds, Professor at ISA; H. Hobbs, Fulbright Scholar to the Dominican Republic; and others. Several outstanding Dominicans have been selected for graduate training in management in order that they may staff the CADR program. Some of these candidates are, or soon will be, in such graduate business programs at the University of Maryland, Ohio State, INCAE, and IESA (Venezuela).

1. Provide Administrative/Management Training Through Sporadic, Specialized Domestic Short Courses, and Foreign Scholarships.

This is not considered to be either a cost effective or a practical approach to filling the training needs. The types of domestic courses offered to date have not provided the practical, relevant content which is needed to systematically upgrade management skills. Foreign training is neither a relevant nor a cost effective method for providing this kind of general administrative/management training to large numbers of public employees. The domestic and foreign training opportunities do not begin to fill the training needs.

2. Establish one Administration Training Institute for All Government Agencies Rather than Concentrate on the Agricultural Sector.

There are several reasons for limiting the project to the less ambitious purpose of providing training only in the agricultural sector. ISA, with some of the requisite background and expertise, is a very satisfactory base on which to build a program for the agricultural sector and has shown great initiative and imagination in proposing this project. It is ready to move ahead quickly on the basis of considerable work already accomplished. An attempt to deal with public administration training needs throughout the government, would delay to an unacceptable degree the initiation of activities for the agricultural sector. Moreover, a training program for the employees of agricultural agencies needs to concern itself not only with the administrative problems that other public agencies face, but above all with the economic, technical, and social problems of their unique clientele, i.e., small farm and agrarian reform enterprises in which the farm family -- or group of families -- functions as a highly integrated production and consumption unit. Beginning with a program that also responds to specific needs of other sectors would be overly ambitious.

3. Provide a Program of "Training in the Natural Working Environment" Rather than Establishing a Center for Concentrated, Intensive Training Courses.

Although some of the required topics may lend themselves to informal training activities in the trainee's office or field project area, many other topics require an undisturbed period of time set aside for concentrated, intensive study.

E. Administrative Feasibility

1. Introduction

This project will be implemented by a new faculty and staff, which will be trained under funding from AID and the Kellogg Foundation. The best indicator of administrative capability would be the current faculty and staff at ISA, since the CADR will be managed in a similar manner as was ISA,

and since the directorship of the Center will answer to the same board of directors.

a. Background

The Superior Institute of Agriculture (ISA) was founded in 1962 by the Development Association, Inc., with funding from AID, the GODR, and private sources. The Association is made up of prominent businessmen, primarily from the Cibao, who have a keen interest in the development of the Dominican Republic. At the time of its founding, there were only 12 agricultural specialists in the country with university degrees. At the same time, there were no agricultural schools at the high school level offering degree programs. ISA was founded with the objective of overcoming these scarcities. Beginning in 1962, it provided a 3-year high school level program in agriculture, and in 1968, the 2-year university program in agriculture began. Now there are nine areas of concentration at the university level, as follows:

- Agricultural Economics
- Irrigation Systems
- Horticulture
- Agrarian Reform Administration
- Forestry
- Agricultural Mechanization
- Agricultural Education
- Food Technology
- Agrobusiness Administration

Currently, there are some 260 university students and 110 high school students enrolled, and by 1985, ISA expects these numbers to increase to 500 and 200 respectively, with a faculty of 45 professors.

b. Demand for the Center for Rural Development Administration

It is estimated that in the next four years SEA alone will need 2,000 qualified managers to effectively combat the growing national food deficit. The other autonomous agencies have expressed the need for both trained managers and in-depth courses addressing specific agricultural problems. The private sector, through the Development Association, Inc., has expressed such a need.

ISA, in the attempt to fulfill these needs, has adopted the module/case study approach to solving agricultural, and had the opportunity to test this approach in a special seminar presented in Puerto Plata.^{1/} This utilized a special version of a case study seminar which CIMMYT developed and conducted in several countries for agricultural officials. This seminar was organized and managed by the initial staff of the CADR; it focused on government policies to increase agricultural production and included two Dominican case studies. The evaluation of the program indicated that the new approach to training was effective and successful. Furthermore, all of the participants (who represented all GODR agricultural sector agencies, as well as the private sector) requested that similar seminars be available to them on a regular basis.

Based on the experience of this seminar, the resultant demand for more training of this nature, and the known need for better management, this project proposes to build, equip, and staff a Center which would provide such services.

2. Leadership

The current staff at ISA would be illustrative of the quality of staff that the CADR will have. Currently, there are 23 active professors (19 with masters degrees and 4 with Ph.D.'s) contributing expertise to ISA in a wide variety of agricultural fields. In addition, the faculty is continually upgrading and updating its academic proficiency by pursuing post-graduate degrees; currently, there are 9 additional faculty members in pursuit of masters degrees in agricultural fields that ISA needs. Finally, the faculty is reinforced by a staff of 27 associate professors from a wide range of countries: United States (17), England (4), Puerto Rico (3), Colombia (1), Mexico (1), and Kenya (1). In addition to agricultural training, several members of the ISA staff are graduates of the management training program of the Instituto Centroamericano de Administración Empresarial (INCAE), in Nicaragua, while a number of others have attended special management programs (taught by the case method) in the United States and Europe.

The administrative staff of the CADR currently consists of the Executive Director (Mr. Luis Ernesto Perez) and a professional case writer (Mr. Huntington Hobbs). Mr. Perez was the student of honor in the first graduating class of ISA in 1966. Since then, he has continued his studies and achieved a Ph.D. in Agricultural Economics at the University of North Carolina. Mr. Hobbs, who has a MBA, has vast experience in the case writing method applied to agricultural problems. He has worked for the CIMMYT in Mexico using this method, and was instrumental in setting up the Puerto Plata seminar. He has already put together three Dominican case studies, which will be taught at the Center, and continuing his efforts in case writing.

^{1/} This was in collaboration with SEA and the International Maize and Wheat Improvement Center (CIMMYT), Mexico.

In the initial planning stages, the Center has also received expert advice from outside consultants. This project will provide some short-term management training for the administrative staff, which will include the Executive Director, Assistant Director for Programs, Assistant Director for Administration, and the Liaison Officer.

The core faculty of the Center will consist of an economist, 3 management specialists, a communications specialist, an organizational behavior specialist, and 2 field laboratory technicians. Through this program, all 8 candidates will receive Intensive Pre-MBA English (funded by AID0 and a full MBA program (funded by Kellogg). Several outstanding Dominicans have already been selected for this training, and will soon be enrolled in graduate business programs such as those at the University of Maryland, Ohio State, INCAE, and IESA (Venezuela). Many of these candidates are graduates from ISA, and have worked with the Institute for a considerable amount of time. This is not only important from the standpoint of being familiar with the Institute, but also an indication of expected loyalty to the CADR once they return with their MBAs. When they return to the Center to begin instruction, they will be assisted by short- and long-term technical advisors (project-trained), laboratory assistants, and the administrative staff.

3. Structure

The basic organizational structure is illustrated in Annex 4. The Board of Directors consists of members of the Development Association, Inc., who are prominent businessmen committed to agricultural development of the Dominican Republic. The Executive Director of ISA is directly answerable to the Board, and is responsible for three administrative branches, which in turn have their responsibilities.

<u>Branch:</u>	1. <u>Academic</u>	2. <u>Administration</u>	3. <u>Research</u>
<u>Divisions:</u>	a. Biological Sciences	a. Personnel	a. Research
	b. Agricultural Engineering	b. Accounting	b. Library
	c. Economics	c. Administrative Services	
		d. Agrobusiness	

The CADR, then, will be a fourth branch with the Director answering to the Executive Director of ISA. He, in turn, will be responsible for three branches: Academic, Administration, and Research.

ISA is committed to the improvement of the quality of life of the small and medium farmer, as well as to the technical and administrative improvement of the Dominican agricultural sector. The research activities in which ISA has been actively involved are illustrative of this commitment. These studies deal directly with the agricultural problems of the Dominican Republic, and serve two important purposes: (1) the results of the research can be applied to the solution of the problem addressed; and (2) the education process will continue to focus on real Dominican problems. In studying the Dominican agricultural problems, the education which results is very relevant to the student's career. In addition to these studies, ISA has conducted research in cooperation with other prominent Dominican universities (UASD, UNPHU, and UCMM).

In addition to the vast amount of research being carried out, ISA has been active in sponsoring national and international conferences such as the Puerto Plata seminar. Another example of a conference in which ISA helped sponsor was the Caribbean Conference on Energy and Agriculture. A direct result of this was the desire for ISA to develop a curriculum in agro-energy. Some research is already underway in this field.

Undoubtedly, the Center will continue and expand on ISA activities, for basically three reasons: (1) the training will involve people already in close contact with national agricultural problems; (2) the writing of Dominican case studies will, by its very nature, require in-depth research of Dominican problems; and (3) this research will continue to analyze the problems of the small farmers.

4. Resources

In addition to the highly qualified staff described above, ISA has several other valuable resources among its assets.

Its main campus consists of 4,742 tareas (741 acres), only 20% of which is currently being used for campus buildings. This not only provides for an almost unlimited amount of expansion, but also has several other uses. There is ample room for crop, irrigation, and livestock experimentation. Secondly, it is a source of supply to the campus cafeteria, thus reducing student costs (for example, all milk is produced on campus). Third, through sales of grain and bean crops, it is a source of income to help cover administration costs. In addition to the main campus, other lots of land have been donated to ISA, where research in energy, livestock, tobacco, and dry land forestry is taking place.

The dormitories of the campus currently have a capacity for 312 students (still 150 short for the current enrollment), and an adequate cafeteria to serve their needs. The classroom capacity is adequate for the current enrollment, although it falls short of the expected enrollment of 1985. Office space currently is adequate, although there is no room in the current physical facilities to accommodate expansion.

The library, though small, has access to virtually all agricultural volumes in the country. This is accomplished through the National Education Network (analogous to Inter-Library Loan) which links and pools the assets of 99 libraries throughout the country. There is a need, however, for a larger facility with a greater capacity for books, as well as for conducting research. The proposed Center will more likely augment that need.

5. Outside Environment

ISA has benefited from government and private sector support since its beginnings. In addition to income from tuition, the Institute has benefited from an annual subsidy from the GODR, which has now reached RD\$600,000. In addition, private sector entities, as well as international foundations (i.e., Ford, Rockefeller, Kellogg), have been generous in providing financial and technical support. Finally, the Professional Education Project, funded by the GODR through PL-480, has been a generous source of funding for scholarships, construction, and technical assistance.

F. Financial Plan and Disbursement Procedures

1. Financial Plan

The total program cost, as shown in Table 1, is \$4,998,000 of which \$800,000, or 16% will be financed with A.I.D. grant funds. Of the balance of \$4,198,000, the GODR will provide \$3,556,000, while \$642,000 has been and will be provided by grants from the W.F. Kellogg Foundation and LASPAU.

Of the \$647,000 of Technical Assistance in the project, A.I.D. will furnish \$565,000 in foreign exchange and \$40,000 in local currency and the Kellogg Foundation will provide \$42,000 in foreign exchange to cover the costs of two long-term casewriters and one senior management adviser. A.I.D. will provide \$134,000 for short-term training in the United States and Mexico. An additional \$61,000 will be contributed for books, educational aids, and office equipment.

The GODR contribution to the project is estimated at \$3,556,000 which will be provided from PL-480 Title I proceeds \$1,056,000 from FY 80 and \$2,500,000 from FY 81. GODR funding will cover \$1,353,000 for architectural services, engineering, site preparation and construction of a cafeteria, a new office and dormitory; \$354,000 will provide equipment and furnishings for the new buildings as well as eight vehicles; \$1,818,000 will be contributed to operate the Center over the next five years; and an additional \$31,000 is provided for contingencies.

Kellogg/LASPAU will contribute \$200,000 in local currency for the construction of a classroom building and \$400,000 in foreign exchange to fund scholarships for eight faculty members so they may receive the necessary academic training to earn an MBA.

It is planned that as the GODR operational budget support is phased-out at the end of five years, the Center will become self-sustaining. The Center's program is designed to expand the job skills of people that are already employed in agriculture, either in the public or private sector, and, it is assumed, that either the student and/or his employee will be able to pay, in full, the reasonable fees charged.

2. Disbursement Procedures and Reporting Requirements

U.S. dollar costs under this project will include Technical Assistance, Training and Equipment. Disbursement for eligible goods and supplies will be made using standard A.I.D. procedures, such as issuing Direct Letters of Commitment, Purchase Orders, or by making reimbursement directly to other Agencies under PASA Agreements.

Peso costs will be disbursed monthly in compliance with the terms of the contracts of the long-term advisers.

ISA will submit to USAID quarterly reports throughout the life of the Project describing the status of implementation of the different Project activities as well as the status of expenditures under the Project.

Cost Estimate
and Financial Plan
(In US\$000)

Use*	S O U R C E						Total
	AID		GODR		Kellogg		
	FX	LC	FX	LC	FX	LC	
Technical Assistance	565	40	-	-	42	-	647
Architecture & Engineering	-	-	-	85	-	-	85
Training	134	-	-	-	400	-	534
Construction	-	-	-	1,234	-	200	1,434
Equipment	61	-	-	354	-	-	415
Operations	-	-	-	1,818	-	-	1,818
Contingencies	-	-	-	65	-	-	65
TOTAL	760	40	-	3,556	442	200	4,998

* Inflation factor included in individual components.

TABLE 2

Costing of Project Inputs/Outputs
(In US\$000)

	1981	1982	1983	1984	1985	Total
A. AID Appropriated						
1. Case Writers	-	160	240	160	-	560
2. Consultants	7	19	19	-	-	45
3. Faculty Training	40	84	10	-	-	134
4. Equipment	-	61	-	-	-	61
AID Sub-Total	47	324	269	160	-	800
B. Other U.S. (Kellogg)						
1. Construction	200	-	-	-	-	200
2. Training	20	200	180	-	-	400
3. Technical Assistance	42	-	-	-	-	42
Other U.S. Sub-Total	262	200	180	-	-	642
C. Host Country (PL-480 Title I)						
1. Construction	-	1,234	-	-	-	1,234
2. Equipment	-	354	-	-	-	354
3. Architecture & Engineering	85	-	-	-	-	85
4. Operations	41	236	382	538	621	1,818
5. Contingencies	-	-	-	-	65	65
GODR Sub-Total	126	1,824	382	538	686	3,556
GRAND TOTAL	435	2,348	831	698	686	4,998

V. IMPLEMENTATION PLAN

A. Procurement of Technical Assistance

AID is funding the procurement of short-term consultants. These advisors are considered necessary to review the progress made in the design and programming of the curriculum. These consultants will be leaders in the field of case writing, and will also have experience in agriculture, business, and education, and will in a short time (two weeks) be able to review the program development and make recommendations. At present, there are no plans to contract with a single institution for technical assistance. ISA's good experience with technical assistance from several (i.e., Wake Forest, Harvard, Virginia) schools has encouraged them to continue this practice. The selection and contracting of these consultants will be the responsibility of ISA, who is already familiar with the leaders in the field, and has already utilized them in the initial programming process for the Center.

The long-term advisors will consist of a Senior Management Advisor, a Senior Case-Writer, and an Assistant Case-Writer. The Senior Case-Writer is already on-board, and is currently being paid by the Kellogg Foundation (1981 only). The Assistant Case-Writer will arrive in 1983, the year before the Center officially opens, and will be selected and contracted by ISA. The Senior Management Advisor will be contracted with AID or USDA assistance (a scope of work is included as Annex 5).

B. Institution Building - Training

1. Faculty Training

The selection process for the candidates for faculty training has already begun. It is hoped that most of these candidates will be able to begin the 6-month pre-MBA English training at U.S. universities in fall of 1981. Upon completion of this training, they will be prepared to begin the MBA program in spring of 1982, study through the summer, and complete the program by the end of the summer of 1983 (at the earliest). Most of the faculty, then, will return to the Center in fall of 1983 to prepare for instruction in winter of 1984. The Senior Case-Writer and his/her Assistant will be on hand to advise in class preparation, and the Senior Case-Writer will remain on-board for the first year of instruction (1984).

2. Short-Term Agricultural Training

The short-term agricultural training is for ISA graduates who will work at the CADR as field/laboratory assistants. They will be selected by ISA and receive 6 months training in CIMMYT (Mexico) or CIAT (Colombia); four of them in 1982 and two others in 1983.

3. Short-Term Management Training

Short-term management training will be provided for faculty members who already have advanced degrees, but are lacking in management training. These professors are already (or will be) working at ISA, and will be selected by ISA for the training.

C. Equipment Procurement

Equipment will be procured on a priority basis, beginning with teaching equipment, then office equipment, and finally other equipment. Vehicles will have to be ordered early, due to the critical need, and to the long procurement process. The Host Country procurement procedures will be used to purchase Grant funded commodities. The remainder will be purchased with local currency, using PL-480 Title I funds.

D. Construction

The classroom building, funded by the Kellogg Foundation, has been designed and construction is already underway. Construction should be completed by March 1982. Some of the architectural programming for the remaining buildings in this project (new office, cafeteria, and dormitories) has also taken place, and the programming stage should be completed by October 1981. The design work should be completed by the end of 1982, and the drafting by the end of February 1982. The building contract should be signed by May of 1982. Construction will begin in June of 1982, and be completed by February of 1983. The contracting and monitoring of the construction component of this project will be the responsibility of ISA.

E. Programs Completed

Before the Center officially opens in 1984, the GODR intends to hold 6 one-day symposia, 3 three-day symposia, and 3 five-week management programs. These may be held off-campus -- perhaps in Santo Domingo -- utilizing faculty available, case writers, and consultants. Once the Center officially opens in 1984, 1 one-day symposium, 2 three-day symposia, 5 five-week management programs, and 2 five-month diploma programs will be held annually.

F. Administrative and Support Staff

The Executive Director for the CADR has already been selected, and is working full-time preparing for this project. The two Assistant Directors, as well as other professional staff will be on-board by the beginning of 1982. Other support staff will be brought on-board as they are needed. The selection and hiring of staff will be the responsibility of ISA.

G. Unique Problems

Although the Center, as well as AID, is anticipating an official opening in January 1984, any slippage in the schedule will probably result in the delay of this opening. The most critical component in the project is the training of the faculty in the MBA program. In order for them to be on-board by fall of 1983, they would have to be enrolled in an MBA program which begins in spring of 1982, and could be completed in 18 months (including summer school). This would severely limit the choice of schools for training. Thus with the faculty training, some slippage is anticipated. Whereas it is likely that the Center will have sufficient personnel to run the symposia and the five-week management programs, by January 1984, it is likely that the 5-month diploma program will be delayed.

Secondly, critical to the program are the long-term consultants. While the Center already has its Senior Case-Writer, and should experience little difficulty in locating an Assistant Case-Writer, locating the Senior Management Advisor may prove difficult. He will not only need several years of experience in management, but also be fluent in Spanish, well versed in agriculture, and very familiar with the case-study method. AID may have a comparative advantage in locating such a person, but he/she should be on-board by January 1982, a very short lead time.

H. Evaluation Plan

The following is a brief summary of the reports and evaluations to be conducted under this project. ISA will be responsible for providing quarterly and annual reports, and the AID project manager will be responsible for monitoring these reports. A comprehensive evaluation will be conducted by an independent entity when AID funding disbursements terminate.

1. Quarterly and Annual Reports

ISA will be responsible for providing AID with quarterly reports for the first three quarters of each calendar year, and an annual report in the fourth quarter of each calendar year, beginning in the fourth quarter of 1981, and ending with the fourth quarter of 1984. Reports should indicate progress made, problems encountered, the impact of those problems on the implementation of the project, and the strategy ISA is using to solve these problems. The quarterly and annual reports should address, inter alia, progress made in the following categories:

- Dominican Government and other donor contributions.
- Status of faculty training (selection, placement, and progress).
- Status of short-term training in management and agriculture.

- Status of equipment procurement and construction.
- Number of programs completed, and their degree of success.
- Number and type of staff on board.

2. Consultant Reports

Each consultant must provide AID with a report which outlines their objectives, findings, conclusions and recommendations after each visit to ISA.

3. Comprehensive Evaluation

An independent team, funded by AID, will evaluate the project when AID funding is fully disbursed (December 1984). A detailed scope of work for this evaluation will be drawn up by Mission and ISA personnel at a later date.

I. Waivers

ISA's experience has shown that the type of training needed for the people who will be the field/laboratory technicians can best be gotten at either CIAT or CIMMYT. These two international centers have short-term programs especially designed for this type of training. In order to train ISA personnel at these two centers, the Mission will sign a waiver to allow training in AID Geographic Code 941 countries.

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ANNEX 1

LOGICAL FRAMEWORK MATRIX

Summary	Objectively Verifiable Indicators	Important Assumptions																																													
<p>A.1. Goal Improve the income, productivity and quality of life of the Dominican Republic's rural poor.</p> <p><u>Sub-Goal</u> Increase the administrative capacities of the agricultural agencies to manage financial, human, and material resources allocated for rural development.</p>	<p>A.2. Measurement of Goal Achievement Agriculture production and yields increase faster than total rural population; incomes of lower income farm people rise faster than the average. Implementation of more systematic and widely understood procedures for planning, budgeting, execution, monitoring, and evaluating agricultural and rural development programs and better inter-institutional coordination.</p>	<p>A.3. (As Related to Goal) GODR policies and strategy continue to emphasize the goal. ISA establishes close working and collaborative relationships with agricultural agencies. Project approach and training materials are responsive to operational needs of GODR officials and agencies.</p>																																													
<p>E.1. Purpose Establish an in-country institutional capability to provide in-service training opportunities to upgrade management skills of public and private officials working in the area of agricultural and rural development.</p>	<p>B.2. End of Project Status A center established and operating which provides practical, relevant in-service management training for officials representing all public and private agricultural sector agencies.</p>	<p>B.3. (As Related to Purpose) ISA and the GODR are mutually committed to project's goals.</p>																																													
<p>C.1. Outputs</p> <ol style="list-style-type: none"> 1. Improved management capability of agricultural sector officials. 2. Training programs established. 3. Physical facilities constructed. 	<p>C.2. Output Indicators</p> <ul style="list-style-type: none"> - 460 participants in the Symposia. - 480 completed Management Development Program. - 80 completed Diploma Program in Rural Dev. Mgt. - Case studies and training materials for 70 modules to be used in the three training programs. - Classrooms, dormitories, cafeteria, and new office. 	<p>C.3. (As Related to Outputs) Agricultural sector agencies will send wide variety of officials to various training programs. ISA staff devotes time required to develop training materials. Construction materials and capability available as planned.</p>																																													
<p>D.1. Inputs</p> <ol style="list-style-type: none"> 1. Technical advisory services. 2. Faculty training. 3. Physical plant. 4. Service equipment. 5. Teaching equipment and books. 6. Operations. 7. Contingencies. <p style="text-align: right;">TOTAL</p>	<p>D.2. Budget/Schedule (US\$000)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 15%;">AID</th> <th style="width: 15%;">GODR</th> <th style="width: 15%;">Other Donor</th> <th style="width: 10%;">Total</th> </tr> </thead> <tbody> <tr> <td>605</td> <td>-</td> <td></td> <td>42</td> <td>647</td> </tr> <tr> <td>134</td> <td>-</td> <td></td> <td>400</td> <td>534</td> </tr> <tr> <td>-</td> <td>1,319</td> <td></td> <td>200</td> <td>1,519</td> </tr> <tr> <td>-</td> <td>354</td> <td></td> <td>-</td> <td>354</td> </tr> <tr> <td>61</td> <td>-</td> <td></td> <td>-</td> <td>61</td> </tr> <tr> <td>-</td> <td>1,818</td> <td></td> <td>-</td> <td>1,818</td> </tr> <tr> <td>-</td> <td>65</td> <td></td> <td>-</td> <td>65</td> </tr> <tr> <td>800</td> <td>3,556</td> <td></td> <td>642</td> <td>4,998</td> </tr> </tbody> </table>		AID	GODR	Other Donor	Total	605	-		42	647	134	-		400	534	-	1,319		200	1,519	-	354		-	354	61	-		-	61	-	1,818		-	1,818	-	65		-	65	800	3,556		642	4,998	<p>D.3. (As Related to Inputs)</p>
	AID	GODR	Other Donor	Total																																											
605	-		42	647																																											
134	-		400	534																																											
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800	3,556		642	4,998																																											

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Economic Feasibility

(i) The Benefits from Human Capital

Although most of the inputs of this project will not be in place until 1984, the first graduates of the center will appear in 1981, 1982, and 1983 (on a smaller scale). We will not be able to measure the "outputs" of the 1981 graduates until one year after their graduation in 1982.

This project is designed to raise the efficiency of the agricultural sector administrators, and thus raise the productivity of the small farmer. Although it is known that there is considerable waste in the agricultural sector resulting from mismanagement, no one knows the dollar value of that waste -- indeed, it is probably immeasurable. We can estimate the agricultural sector budget (just the public sector) for 1981 as \$250 million.^{1/} In knowing that the Center will graduate some 510 administrators per year, and that 80% (408) of these will be from the public sector, there should be around 9,024 graduates in 25 years. We can reasonably assume that these graduates will be responsible, in some measure, for / at least 75% of the budget and deduce the amount of dollars for which they will be responsible. If each graduate in 1985 is

^{1/} To date, the actual 1981 budget figures are not yet available. Current estimates show SEA alone with expenditures of RD\$145,353,000 for 1981. (Source: ONAPRES, Ejecuciones de Presupuestos 1969-1979, Presupuesto de Ingresos y Ley de Gastos Públicos 1980-1981.) This figure excludes expenditures on irrigation and expenditures of the other eight decentralized agricultural institutions, whose budgets should total well in excess of the remaining RD\$105 million -- the estimate we are using here for analysis purposes.

responsible for say RD\$20,000, and with increased managerial efficiency could save the government 1% or RD\$200 per year, we may approximate the amount of savings that this program could provide over say the next 25 years (see Annex e, Tables 1 and 3).^{1/}

Secondly, the private sector should benefit from this project through increased production resulting from increased efficiency of its managers. The private sector agricultural budget only exists in theory, and would be even harder to calculate than that of the public sector. The private sector is involved in all aspects of agriculture (production, marketing, agro-industry), and in monetary terms on a much larger scale than the public sector. One segment of the private sector where data is more readily available is the (agricultural) export sector. In Annex 2, we have selected the four leading agricultural exports (sugar, coffee, cacao, and tobacco), and assessed their (private sector) value at around RD\$700 million for 1980. From this we estimated that the CADR graduates will be responsible for 25% of that, with a responsibility of RD\$77,495 and an annual savings of RD\$775 per graduate.

Thirdly, we estimate that there are 435,000 rural households -- most of which are small farmers or landless laborers. We may calculate the number of small farmers (households) for which each graduate will be responsible by dividing 435,000 by the total number of graduates in 25 years (11,280), and then multiplying by the number of cumulative graduates for each year.

^{1/} The value of the benefits have been "discounted" at 16% and 17% to account for inflation. See Economic Analysis of Agricultural Projects, by Price Gettinger, John Hopkins University Press, 1972.

Thus, we can estimate the increases in public sector savings, private sector production, and small farmer income for the next 25 years, which we consider to result from increased efficiency of CADR graduates. The undiscounted total benefits for 25 years comes to \$657,154,000 (see Table 2). This figure, when discounted at 16%, comes to RD\$3,938,000 (Table 3).

(2) The Project Costs

The cost side of the project, of course, is easier to calculate. First, we know that the donor input is \$4.9 million, as follows:

AID (Grant)	80,000
GODR (PL-480 Title I)	3,500,000
Kellogg	<u>642,000</u>
Total	4,942,000

In addition, the Center will need to meet the costs of operations and salaries after 1986. These costs will be covered directly from the GODR budget -- a commitment that has already been made. The budget for 1985 (in 1981 pesos) is exemplary of the operation costs which will follow:

Salaries	RD\$320,000
Travel	40,000
Supplies & Indirect Costs	100,000
Contingencies	<u>23,000</u>
Total	RD\$483,000

Finally, there will be the cost to the student for room, board, and tuition, which for the 510 students annually will come to RD\$290,000 (in 1981 pesos).^{1/} Tuition costs, for the most part, will be covered by the employer of the participant. As illustrated in Table 2, the total undiscounted costs, over 25 years, come to RD\$21,538,000. This figure, when discounted at 16%, comes to RD\$3,623,000 (Table 3).

^{1/} It could be argued this money, since it is coming into the Center, is actually a benefit. However, since it is a required cost to achieve the output, it must be considered a cost.

(3) Assumptions Used

a. Global Assumptions

1) That the political-economic structure of the Dominican Republic will remain relatively stable.

2) That the agricultural budget will continue to maintain its current level of importance, and that the GODR will fulfill its financial commitments to the CADR.

3) That the world price of sugar, coffee, cacao, and tobacco will at least maintain the average of their current prices in real pesos.

4) That the number of rural households will remain approximately at the current level whereby natural increase = rural-urban migration.

5) That inflation will have a relatively uniform impact on the costs and the benefits.

b. Project Specific Assumptions

1) That the CADR programs will function at least at the current projected capacity of 510 graduates, and that most of these graduates will continue to work in the agricultural sector (public or private).

2) That in 25 years, the public sector graduates will be responsible for at least 75% of the public sector agricultural budget; and that the private sector graduates will be responsible for at least 25% of the private sector budget within the next 25 years.

3) That the CADR graduates effectively use their training to increase efficiency in the public or private sector, and that their efforts result in increased income for the small farmer.

(4) Summary of Benefit Cost Analysis

In Annex 2, Table 3, we have discounted the benefits and costs at 16% and 17% with the following results:

	<u>Net Benefits Discounted at 16%</u>	<u>Net Benefits Discounted at 17%</u>
Benefit Cost Ratio	1.09	0.95
Net Present Value	RD\$+315,000	RD\$-116,000
Internal Rate of Return (Interpolated)		<u>16.73%</u>

TABLE 1

ANNEX 2
PAGE 6 of 19 PAGESProject Benefit Data
(In 1981 Pesos)

CONTR	II		III		IV	V	VI	VII	VIII
Economic LSP:	PUBLIC SECTOR		PRIVATE SECTOR				SMALL FARMER		
	CADR		CADR		CADR	Total	CADR	Small	Total
	Graduates		Graduates		Graduates	Cumulative	Graduate	Farmer	Benefits
					Increase in	Graduates:	Small Farmer	Increase	
					Production	Public and	Responsibility	in Income	
Year	Annual	Cumulative	Annual	Cumulative	(RDS1,000)	Private	(1,000 Farmers)	(RDS1,000)	
1951	0	0	0	0	0	0	0	0	0
1952	72	72	15	18	18	90	3	15	44
1953	136	208	43	34	52	260	10	50	133
1954	248	456	95	62	114	570	22	110	292
1955	408	864	180	102	216	1,080	42	210	577
1956	408	1,272	264	102	318	1,590	61	305	815
1957	408	1,680	349	102	420	2,100	81	404	1,075
1958	408	2,088	434	102	522	2,610	101	505	1,344
1959	408	2,496	519	102	624	3,120	120	600	1,603
1960	408	2,904	603	102	726	3,630	140	700	1,866
1961	408	3,312	688	102	828	4,140	160	800	2,112
1962	408	3,720	773	102	930	4,650	179	895	2,389
1963	408	4,128	858	102	1,032	5,160	199	995	2,653
1964	408	4,536	942	102	1,134	5,670	219	1,095	2,916
1965	408	4,944	1,027	102	1,236	6,180	238	1,190	3,175
1966	408	5,352	1,112	102	1,338	6,690	258	1,290	3,439
1967	408	5,760	1,197	102	1,440	7,200	278	1,390	3,703
1968	408	6,168	1,273	102	1,542	7,710	297	1,485	3,953
1969	408	6,576	1,366	102	1,644	8,220	317	1,585	4,215
1970	408	6,984	1,451	102	1,746	8,730	337	1,685	4,484
1971	408	7,392	1,536	102	1,848	9,240	356	1,780	4,748
1972	408	7,800	1,621	102	1,950	9,750	376	1,880	5,012
1973	408	8,208	1,705	102	2,052	10,260	396	1,980	5,275
1974	408	8,616	1,790	102	2,154	10,770	415	2,075	5,534
1975	408	9,024	1,875	102	2,256	11,280	435	2,175	5,783
TOTAL	9,024		21,716	2,256		20,239		25,199	67,154

EXPLANATION FOR TABLE 1

COLUMN I: The CADR graduates from the public sector will represent 80% of the graduates, so to derive the amount of graduates per year we simply multiply the number of graduates (510) by .8 and we have 408, and a total of 9,024 over 25 years. We then show a cumulative listing, so we can determine the amount of "human capital" in any given year. (Note: The 1981 graduates are shown in 1982, when their first output can be measured, etc.)

COLUMN II: We estimate the current GODR agricultural budget as RD\$250 million: SEA alone has \$145 million, and the budgets of the other autonomous agricultural agencies will easily exceed RD\$100 million. Secondly, we estimate the amount of that budget for which the CADR graduates will be responsible in 25 years, as being 75% of the public agricultural sector budget. (It could more likely be closer to 100%, as by that time, practically all agricultural managers shall have attended at least one course -- indeed, it could become a requirement for all managers in the public agricultural sector.) Thus, we derive the share of responsibility per graduate as follows:

Agricultural Budget	=	RD\$250,000,000
Share of Responsibility	=	<u> X .75 </u>
TOTAL	=	RD\$187,500,000
Total Number of Graduates	=	9,024
Share per Graduate	=	RD\$187,500,000 ÷ 9,024 = RD\$20,778

Then, we multiply that share by the cumulative number of students per year (Column I).

To determine the amount of savings to the government resulting from increased CADR graduate efficiency, we then multiply the figure by 1%. (Note: We realize

that some students will be at the Center for 5 months and some only for 1-3 days. However, the participants of the symposia will be top level officials, who are responsible for a much larger share of the budget, and whose decisions and improved efficiency will have a much greater impact on the budget than their mid-level counterparts in the 5-month programs.) Finally, the number is rounded to the nearest 1,000.

Thus for 1985, we have:

Share per Student	=	\$20,778
Number of Cumulative Graduates	=	<u>X 864</u>
TOTAL	=	\$17,952,192
Percent Savings	=	<u>X .01</u>
TOTAL	=	\$179,522
Rounded to Nearest 1,000	=	180

COLUMN III. We determine the number of private sector graduates by multiplying the total by 20% ($510 \times .20 = 102$), and then derive the cumulative total per year.

COLUMN IV. First, it was necessary to determine the "private sector budget" Such a thing, of course, only exists in theory. Indeed, the private and public sector in agriculture frequently overlap. The private sector, of course, consists of the small farmer (which we will calculate later), agro-industry, most of the marketing infrastructure, and the (agricultural) export sector.

The figures most readily available for our purposes are those of the export sector, and we have chosen figures from the four leading export crops (for 1980): sugar, cacao, coffee, and tobacco. (We realize, of course, that around 50% of the

sugar produced is under the control of the public sector, and have compensated for that.) The calculations are as follows:

S U G A R

Total Production = 1,200,000 MT
(One Metric Ton = 2,204.6 Pounds)

EXPORT SALES

950,000 MT

X 2,204.6

2,094,370,000 Lbs.

At RD\$.35/Lb. = RD\$733,030,000

DOMESTIC SALES

250,000 MT

X 2,204.6

551,150,000 Lbs.

At RD\$.15/Lb. = RD\$82,672,500

Total Sugar Sales =

RD\$733,030,000

+ RD\$ 82,672,500

RD\$815,702,500

Public Sector = RD\$407,851,250

Private Sector = RD\$407,851,250

C O F F E E

Total Production = 40,000 MT

Price is per hundred pounds -- multiply by $\frac{2,204.6}{100} = 22$

22 X 40,000 MT = 880,000 (100 # Bags)

At RD\$150/100 # Bag = RD\$132,000,000

C A C A O

Total Production = 40,000 MT

Price is per hundred pounds -- multiply by $\frac{2,204.6}{100} = 22$

22 X 40,000 MT = 880,000 (100 # Bags)

At RD\$112/100 # Bag = RD\$98,560,000

T O B A C C O

Total Production = 35,00

Price is per 110 # Bag -- multiply by $\frac{2,204.6}{110} = 20$

20 X 35,000 MT = 700,000 (110 # Bags)

At RD\$87/110 # Bag = RD\$60,900,000

GRAND TOTAL =

Sugar - RD\$407,851,250

Coffee - RD\$132,000,000

Cacao - RD\$ 98,560,000

Tobacco - RD\$ 60,900,000

RD\$699,311,250

Next, it is necessary to determine the share of this budget for which the private sector CADR graduates will be responsible. We estimate that this will be around 25%. (Although there will be fewer participants from the private sector -- 20% -- compared with the public sector -- 80% -- in reality, the private sector will have a proportionally larger representation, as 87% of the agricultural managers are from the public sector, and only 13% are from the private sector. If anything 25% understates the responsibility, as 2,256 graduates should more than suffice for the whole agricultural private sector.)

CADR Graduate Share of Private Sector Budget:

.25 X RD\$699,311,250 = RD\$174,827,813

This is then divided by the total number of private sector graduates in 25 years (2,256) for a share per year per graduate (RD\$77,495). The increased production per graduate per year should be at least 1% (RD\$775). This is then

multiplied by the number of cumulative private sector graduates per year, and rounded to the nearest 1,000. For example, for 1985, we calculate as follows:

Share per Student	=	RD\$77,495
Percent Savings	=	<u>X .01</u>
TOTAL	=	RD\$ 775
Number of Cumulative Graduates	=	<u>216</u>
TOTAL	=	<u>RD\$167,388</u>
Rounded to Nearest 1,000	=	RD\$ 167

COLUMN V: Combines both the private sector and public sector CADR graduates.

The last number (11,280) represents the total number of graduates in 25 years.

COLUMN VI: It is known that there are 435,000 rural households in the country.

We are using the term "small farmers" generically here, knowing full well that it also includes ^{some} large farmers as well as landless laborers. Let us assume that in 25 years the CADR graduates (11,280) will be responsible for the 435,000 "farmers", or for 39 farmers per graduate. We then multiply 39 by the cumulative total of graduates per year for the total farmer responsibility, and round it off to the nearest 1,000.

COLUMN VII: The results in increased efficiency of services should increase the income of each farmer by at least five pesos per year (for the landless laborer, this is at most one extra day of work at current prices). Then, the annual increased farmer income resulting from one graduate's efforts should amount to $39 \times 5 = \$193$. Then, for 1985 we have:

Cumulative Graduates	=	1,080
Farmer Responsibility per Graduate	=	<u>39</u>
Total Farmer Responsibility	=	42,120
Rounded to Nearest 1,000	=	42
Farmer Increased Income	=	RD\$5.00 X 42 = RD\$210 (Thousand)

COLUMN VIII: The total benefits are tabulated by adding Columns II, IV, and VII.

TABLE 2
Project Cost Data
(In 1981 D.R. Pesos)

COLUMN	I	II	III	IV	V	VI
Year	CADR Operations Costs (RD\$1,000)	Student Tuition Costs (RD\$1,000)	AID Grant (RD\$1,000)	Kellogg/ LASPAU (RD\$1,000)	GODR ** Title I (RD\$1,000)	TOTAL (RD\$1,000)
1981	37*	8	313	328	439	1,125
1982	293*	67	500	250	1,000	2,110
1983	341*	120	187	225	440	1,313
1984	467*	290	-	-	-	757
1985	483*	290	-	-	-	773
1986	483	290	-	-	-	773
1987	483	290	-	-	-	773
1988	483	290	-	-	-	773
1989	483	290	-	-	-	773
1990	483	290	-	-	-	773
1991	483	290	-	-	-	773
1992	483	290	-	-	-	773
1993	483	290	-	-	-	773
1994	483	290	-	-	-	773
1995	483	290	-	-	-	773
1996	483	290	-	-	-	773
1997	483	290	-	-	-	773
1998	483	290	-	-	-	773
1999	483	290	-	-	-	773
2000	483	290	-	-	-	773
2001	483	290	-	-	-	773
2002	483	290	-	-	-	773
2003	483	290	-	-	-	773
2004	483	290	-	-	-	773
2005	483	290	-	-	-	773
TOTAL	11,281	6,575	1,000	803	1,879	21,538

* Funded by GODR (inflation not included)

** Includes construction + vehicle costs and contingencies and inflation factor.

EXPLANATION FOR TABLE 2

COLUMN I - The operation costs listed here include all the costs necessary to provide the participants with the training program. From 1981 through 1985, PL-480 will cover these costs. The GODR is committed to pick-up the tub from 1986 onward (the 13% inflation factor which is in the budget for operations is included in Column V)

COLUMN II - The total costs to the student (tuition, room, board, supplies) comes to around RD\$290,000 in 1981 pesos. This will be funded, for the most part, by the participant employer (public or private sector agency).

COLUMN III - AID will fund technical assistance, some training, and most of the equipment. (Note: The US\$800,000 = RD\$1,000,000.)

COLUMN IV - Kellogg and LASPAU will fund some of the technical assistance, as well as the MBA program for the faculty members. (Note: The US\$642,000 = RD\$803,000.)

COLUMN V - This is all PL-480 funding for the project, except the operation costs listed in Column I, 1981-1985. Funding includes all construction costs, the costs of 9 vehicles, as well as contingencies (RD\$175,000) and inflation factor (20% for construction, 13% for operations).

COLUMN VI - Is the sum of Columns I through V.

TABLE 3

**Discounted Project Costs and Benefits
(In 1981 Pesos)**

COLUMN	I	II	III	IV	V	VI	VII
Year	Project Benefits (RD\$1,000)	Project Costs (RD\$1,000)	Net Project Benefits (RD\$1,000)	Net Benefits Discount Factor	Discounted Net Benefits (RD\$1,000)	Discounted Net Benefits (RD\$1,000)	Discounted Net Benefits (RD\$1,000)
1981	0	1,125	- 1,125	.862	- 970	.855	- 962
1982	44	2,110	- 2,066	.743	-1,535	.731	-1,510
1983	113	1,313	- 1,200	.641	- 769	.624	- 855
1984	293	757	- 464	.552	- 256	.534	- 248
1985	577	773	- 196	.476	- 93	.456	- 89
1986	815	773	42	.410	17	.390	16
1987	1,078	773	305	.354	108	.333	102
1988	1,344	773	571	.305	174	.285	163
1989	1,603	773	830	.263	218	.243	202
1990	1,866	773	1,093	.227	248	.208	227
1991	2,112	773	1,339	.195	261	.178	238
1992	2,389	773	1,616	.168	271	.152	246
1993	2,653	773	1,880	.145	273	.130	244
1994	2,916	773	2,143	.125	268	.111	238
1995	3,175	773	2,402	.108	259	.095	228
1996	3,439	773	2,666	.093	248	.081	216
1997	3,703	773	2,930	.080	234	.069	202
1998	3,953	773	3,180	.069	219	.059	188
1999	4,225	773	3,452	.060	207	.051	176
2000	4,489	773	3,716	.051	190	.043	160
2001	4,748	773	3,975	.044	175	.037	147
2002	5,012	773	4,239	.038	165	.032	136
2003	5,275	773	4,502	.033	149	.027	122
2004	5,534	773	4,761	.028	133	.023	110
2005	5,798	773	5,025	.024	121	.020	101
TOTAL	67,154	21,538	45,616	Discou. Benefits=3,938	Discou. Benefits = 3,462	Discou. Benefits = 3,462	Discou. Benefits = 3,462
				Discounted Costs=-3,623	Discounted Costs = -3,628	Discounted Costs = -3,628	Discounted Costs = -3,628
				Discounted Net Benefits = 315	Discounted Net Benefits = - 116	Discounted Net Benefits = - 116	Discounted Net Benefits = - 116

Benefit/Cost Ratio

at 16% = $\frac{3,938}{3,623} = 1.09$

at 17% = $\frac{3,462}{3,628} = 0.95$

Net Present Value

at 16% = RD\$ + 315,000

at 17% = RD\$ - 116,000

Internal Rate of Return
(Interpolation)

16 + $\frac{315}{315 + 116} = 16.73\%$

EXPLANATION FOR TABLE 3

COLUMN I - Is taken directly from Column VIII in Table 1.

COLUMN II - Is taken directly from Column IV in Table 2.

COLUMN III - Is Column I minus Column II.

COLUMNS IV and VI - Use the discount factor to show the deterioration of the peso at 16% and 17%, respectively. The formula to derive this is as follows:

$$D.F. = \frac{1}{(1 + .17)^t}$$

Where .17 is the discount rate (17%) and t is the number of years being discounted. (The usual practice is to use a discount table such as that in Price Gettinger's Economic Analysis of Agricultural Projects, pp. 212-213.)

COLUMN V - Is derived by multiplying Column III by Column IV.

COLUMN VII - Is derived by multiplying Column III by Column VI.

F O R M U L A S

Benefit-Cost Ratio = $\frac{\text{Discounted Benefits}}{\text{Discounted Costs}}$

Net Present Value = Discounted Benefits MINUS Discounted Costs

Interpolation =

Lower Discount + Net Present Value at
Rate Used Lower Discount Rate

Net Present Value + Absolute Value of
of Lower Discount Rate Net Present Value
of Higher Discount
Rate

(5) Cost per Student

As stated in the previous section, the annual operations costs will come to RD\$483,000, and the student costs will come to RD\$290,000 annually, for a total of RD\$783,000.^{1/} Since we are dealing with three levels of programs with varying lengths of time, it would be useful to calculate the cost-per-student week. For the sake of simplicity, we will consider the cost of each symposia as equivalent to the cost of one week of training, due to their intensive nature. This, then, is how the calculation would appear:

^{1/} Although the student, or his agency, will only be paying RD\$290,000 of that total, that fund is, in reality, subsidized by the other RD\$483,000 which must be included.

	I	II	III	IV	V
Program	No. of Weeks (Each)	No. of Courses Per Year	Total No. of Weeks Per Year	No. of Students (Each)	Total No. of Student Weeks Per Year
1-Day Symposium	1	1	1	30	30
3-Day Symposium	1	2	2	30	60
Management Dev. Program	5	5	25	60	1,500
Diploma Program	21	2	42	40	1,680
TOTAL			70	620	3,270

The cost per student week would be $RD\$785,000 \div 3,270 = RD\240 .

To compare this with another school would be difficult, since there is not another school that can offer agricultural management courses at the university level (in Spanish). There are some schools in the United States that offer administration courses in Spanish, but with a non-agricultural focus. For example, the University of California at Santa Cruz offers a one (or two) seminar course in the administration of family planning (and let us suppose they could develop a program in agricultural management for the same cost).

The cost of this program is as follows:

Funding Category	Family Planning Administration University of California		Cost per Student Week	
	Dollar Cost	Peso Cost	No. of Weeks	RD\$
Housing C.O.L. (Average)	US\$ 385	RD\$ 481	3	RD\$160
Tuition (One Semester)	750	938	3	313
Round Trip Flight (Approximately)	500	625	3	208
TOTAL	US\$1,635	RD\$2,044		RD\$681

This is almost three times as much as the \$240 cost per student week at CADR. Assuming that a Dominican with an MBA can teach as well as an American with an MBA, the quality should be about the same. Further, the CADR will address rural development problems specific to the Dominican Republic -- a comparative advantage that Santa Cruz simply could not adequately match. As long as there is a demand for trained managers in the agricultural sector (and this should always be the case), the CADR offers the best training opportunity at the lowest cost.

UNQUANTIFIABLE BENEFITS

Many benefits which will result from this project have not been included in the Benefit Analysis. Some are as follows:

(1) In the extensive research required for the writing of case studies, many problems in the rural sector of the Dominican Republic will be uncovered -- later to be analyzed and solved.

(2) The Center will, in part, become an archive for Dominican (and foreign) case studies, and will serve as an institutional memory.

(3) Additional food consumption by the small farmer (assuming he is currently undernourished) has a greater "social value" than additional consumption by a middle-income urbanite. This value should be reflected in improved health and productivity.

(4) Local industries, such as construction and furniture, will benefit from short-term increased employment.

(5) Increased food production will lower the dependence on imported food, in some cases increase exports, and thus improve the balance of payment's situation.

IMPROVING RICE PRODUCTION AMONG SMALL FARMERS

	<u>Number of Modules</u>
The Domestic Agricultural Situation	1
Dialogue with Government Policy-Makers <u>1/</u>	1
The Small Farmer and the Rice Marketing System	1
The Managerial Decision-Making Process	2
The Communication Process	1
Communicating Effectively with Small Farmers	2
A Record-Keeping System for Rice Farmers	1
The Effective Use of Farm Records by Rice Farmers	2
Preservation of Production: Effective On-Farm Storage	1
Cost Benefit Analysis of Production Practices	2
Field Laboratory: Diagnosis of Field Production Problems	1
Field Laboratory: Cultural Practices to Correct Production Problems	1
Field Laboratory: Calculating and Calibrating Fertilizer and Chemical Applications	2
Field Laboratory: Adaptive Research in Farmer's Fields	1
Laboratory: Organizing Rice Demonstration Plots and Field Days	1
The Agricultural Government Worker as Change Agent	1
The Agricultural Government Worker and Planning for Achievement	1
<u>TOTAL</u>	<u>22</u>

1/ This module consists of 4 sessions in each of which a government policy-maker would visit the Center and address and engage in a question and answer period with the participants.

PRELIMINARY OUTLINE OF MODULE CONTENT AREAS

The National Agricultural Situation:

Interpretation, challenge, and perspectives.

Urgency of the problems and associated factors.

Strengths and constraints related to human resources, social structure, natural resources, technology, services; and management.

Possibilities, potentials, and strategies for action to improve productivity, production, and distribution through agricultural development.

Importance of a strategem for widespread participation of agricultural leadership in developing and implementing solutions.

Techniques and Concepts of Management and Economics:

Analysis of supply and demand.

Techniques for budget analysis.

Techniques of data collection.

Control systems: models and purposes.

Motivating the individual to achievement.

Techniques of data analysis.

Projecting cash flows.

The "Critical Path Method".

Goal Setting, Managerial Planning, and Decision-Making:

The decision-making process.

A group approach to decision-making.

Budget planning.

How to identify problems in managerial terms.

Establishing measurable goals.

Identifying alternative courses of action.

The individual: accepting responsibility for decision-making.

Organization and Implementation:

Allocating of functions and responsibilities.

Centralization vs. decentralization.

Location of offices: headquarters and field.

Staffing and personnel policies; staff development.

Budget and financial control.

Linkages with other institutions and the production sector.

Scheduling of operations -- timing, area, etc.

Style of administration.

Evaluation:

Identifying or establishing indices associated with goals.

Sources of and methods for gathering needed data and information.

Methods of validating data and information.

Establishing criteria for evaluation.

Making an evaluation.

Incorporating results of evaluation into future operations.

Evaluating and advising on individual performance.

Communication Principles and Practices:

Communication as a process: purposes, message, design, channels, personal factor.

Basic elements of effective communication.

Learning and behavioral change.

Personal communication skills: writing, speaking, listening

Organization, Group, and Individual Behavior:

Principles and techniques of motivation.

Dynamic of groups, formal and informal.

Organizations as communication systems.

Diffusion of ideas and technology.

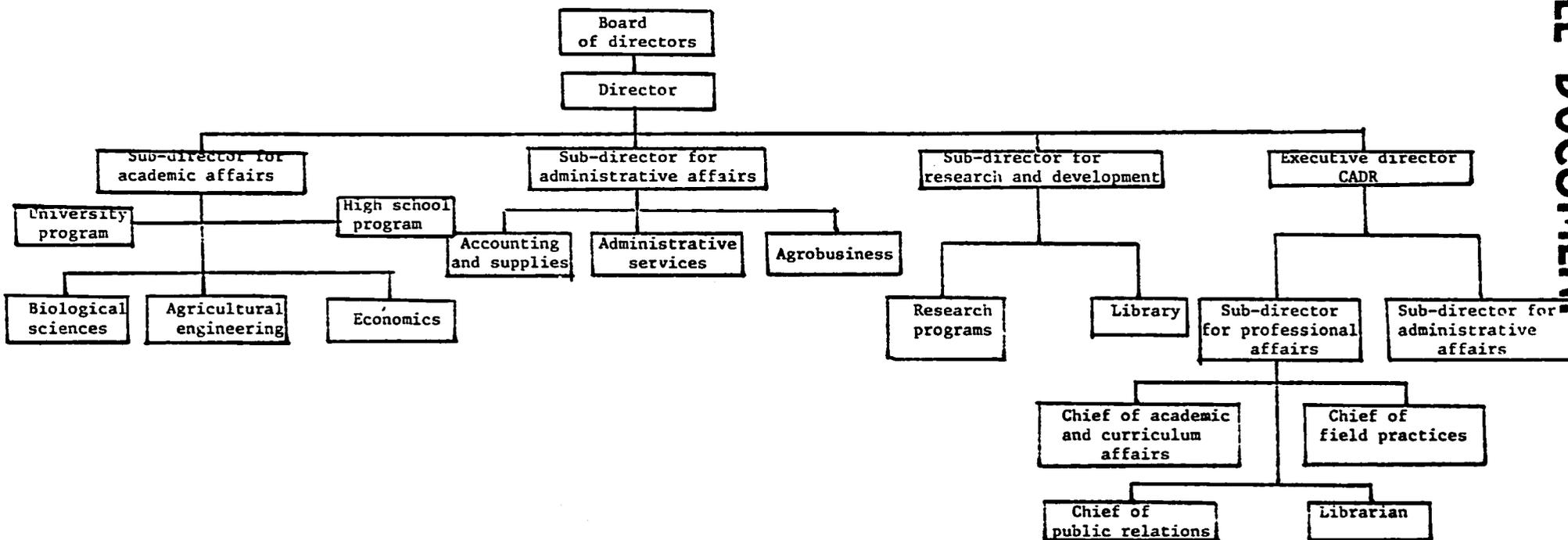
Promotion of change (social action) within an organization, a community, or a country.

MODULES FOR THE DIPLOMA PROGRAM

<u>Name of Modules</u>	<u>Number of Modules</u>
THE NATIONAL AGRICULTURAL SITUATION	
Dialogue with Policy-Makers	1
Perspective on National Agricultural Situation	1
Models of Development from/in Other Environments	1
TECHNIQUES AND CONCEPTS OF MANAGEMENT AND ECONOMICS	
Techniques of Financial Analysis	2
Techniques of Budget Analysis	1
Data Collection	2
Data Analysis	2
Farm Accounting and Control	2
Techniques of Communication	1
Analysis of Supply and Demand	2
Critical Path Method and Other Planning Techniques	2
GOAL SETTING, MANAGERIAL PLANNING, AND DECISION-MAKING	
The Managerial Decision-Making Process	1
Recognizing Women's Roles in Rural Development	1
Production Management	2
Marketing Management	1

<u>Name of Modules</u>	<u>Number of Modules</u>
The Essence of Planning	1
Essential Steps in Planning	1
Managing Processing Activities	1
Managing Control Systems	1
Storage and Transportation Management	1
The Management of Distribution Systems	2
COMMUNICATION PRINCIPLES AND PRACTICES	
The Communication Process	1
Report Writing	2
Making Oral Reports	1
Using of Visual Aids	1
Benefiting from Conferences	1
Listening for Results	1
ORGANIZATIONAL, GROUP AND INDIVIDUAL BEHAVIOR	
Group Approaches to Decision-Making	1
Management Styles	1
Planning Professional Careers	1
Motivating Others for Results	1
Group Dynamics	1
Managing Your Time	1
Motivating Yourself to Accomplishment	1
Motivating the Farmer and Rural Women	1
FIELD LABORATORIES	12
TOTAL	56
NOTE: Because of content differences, modules dealing with the same topic may appear under one or more categories.	

INSTITUTO SUPERIOR DE AGRICULTURA



SCOPE OF WORK

Position: Senior Management Advisor

Project : Rural Development Management No. 517-0125

A. Objective for Which Technical Services Are To Be Used

Provide leadership guidance to the new administration at the CADR.

B. Description

Duties and responsibilities of the contracted advisor:

1. Advise the Executive Director of the Center for Rural Development Administration in all areas of management, including planning, organization, administration of personnel, administration of classroom instruction, logistical support, monitoring of programs, accounting, and procurement.

2. Assist in the coordination of all aspects of project implementation, including technical assistance, faculty training, short-term training, and procurement of equipment.

3. The Senior Management Advisor must have a master's degree in public administration or business administration, or the equivalent. The Advisor must also be knowledgeable of the case history method of management training and have a working knowledge of agriculture.

C. Duty Post and Duration of Technician's Services

Santiago, Dominican Republic; three years,

D. Language Requirements

Spanish at FSI S-3, R-3 + level.

E. Report by Contractor

Progress report to be submitted quarterly to AID, plus a comprehensive report at the termination of contract. Also, any additional reports requested by AID.

Responsible Entity	Activity	P R O J E C T				Y E A R															
		1981				1982				1983				1984				1985			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
ISA	6. <u>Administrative and Support Staff</u>																				
ISA	a. Administrative Staff																				
ISA	(1) Executive Director	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
ISA	(2) Assistant Directors					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
ISA	(3) Other administrative staff					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
ISA	b. Office Staff (Secretaries)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
ISA	c. Program Assistants									X	X	X	X	X	X	X	X	X	X	X	X
ISA	d. Service Personnel					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

ACTION:	
DATE REC'D:	7/8/81
DIR	
AD	
PRG	
CRD	
CONT	
AGR	
MG	
FIN	
OTR	



RECEIVED

JUN 29 11 11 AM '81

AGRIC & AGRIC
DIVISION

INSTITUTO SUPERIOR DE AGRICULTURA
APARTADO 166 - SANTIAGO DE LOS CABALLEROS, REPUBLICA DOMINICANA

25 de junio de 1981

JUN 29 10 22 AM '81

AID CAR

Señor
Philip Schwab, Director
Agencia para el Desarrollo
Internacional (AID)
Embajada de los Estados Unidos
Santo Domingo, D. N.

Estimado Sr. Schwab:

Como ya es de su conocimiento, en interés de perfeccionar las habilidades administrativas y técnicas de funcionarios públicos y privados que laboran en el área rural, las instituciones del sector público agropecuario bajo el liderazgo de la Secretaría de Estado de Agricultura, han decidido crear el Centro para la Administración del Desarrollo Rural (CADR), el cual estaría localizado en los terrenos del Instituto Superior de Agricultura, institución a la cual se ha encargado también la administración y control del referido Centro.

El proyecto de creación del CADR ha sido, además, conocido por el Secretariado Técnico de la Presidencia que, según tenemos entendido, ha aprobado la utilización de fondos provenientes del acuerdo de financiamiento de importación de productos agrícolas conocido como PL-480, hasta un máximo de \$3,555,950, como se muestra en el anexo que acompaña esta carta. De esa suma, \$1,055,950 sería puesto a la disposición del CADR en el corriente año 1981.

Desde que se inició la preparación de la propuesta para la creación del CADR en 1977, funcionarios del Instituto, con la anuencia de los funcionarios de la Secretaría de Estado de Agricultura que más relacionados han estado al desarrollo de esta propuesta, solicitaron verbalmente a esa Agencia para el Desarrollo Internacional recursos en calidad de donación, como parte del financiamiento global del CADR hasta el 1985.

Por este medio, deseo, a nombre del Consejo de Directores del Instituto solicitar a esa Agencia para el Desarrollo Internacional la donación de \$800,000 para ser usada en los trabajos de establecimiento del Centro para la Administración del Desarrollo Rural.

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INSTITUTO SUPERIOR DE AGRICULTURA

APARTADO 166 SANTIAGO DE LOS CABALLEROS, REPUBLICA DOMINICANA

Sr. Philip Schwab

- 2 -

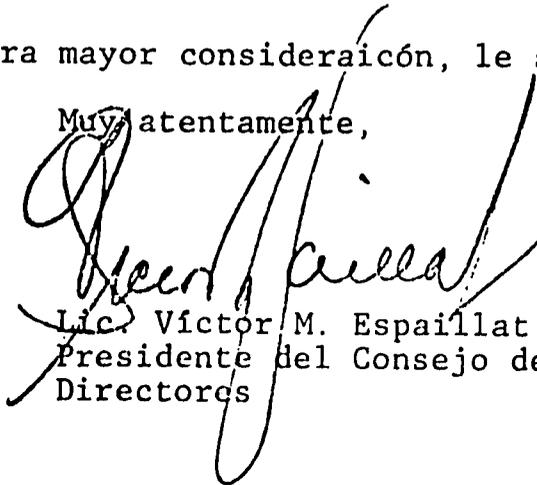
25-6-81

Estos fondos serían usados exclusivamente para la contratación de servicios de asistencia técnica, para el financiamiento de entrenamiento y la adquisición de materiales, todo para adelantar los fines del CADR.

En el anexo, como usted podrá notar, se especifican las fuentes de financiamiento del CADR hasta el año 1985. Deseo informarle que este Instituto tomará las providencias que estime necesarias para asegurar el funcionamiento sostenido del Centro a partir de esa fecha, de tal manera que se cumplan los objetivos que le dieron origen.

Con sentimientos de nuestra mayor consideración, le saluda,

Muy atentamente,



Lic. Víctor M. Espaillat M.
Presidente del Consejo de
Directores

VME/ed1

Anexo

Sr. Philip Schwab

25 de junio de 1981

CENTRO PARA LA ADMINISTRACION DEL DESARROLLO RURAL

COSTO TOTAL ESTIMADO, 1981-1985

(En pesos dominicanos)

DESTINO DE GASTOS	FUENTES DE FONDOS			TOTAL
	AID	G.D. (PL-480)	ISA Y OTROS DONANTES	
1. Asistencia Técnica	605,000	-	42,000	\$ 647,000
2. Arquitectura e Ingeniería	-	97,500	-	97,500
3. Entrenamiento del Personal	134,000	-	400,000	534,000
4. Planta Física	-	1,234,300	200,000	1,434,300
5. Equipo de Enseñanza, Oficina y Servicio	61,000	353,700	-	414,700
6. Operaciones	-	1,834,200	-	1,834,200
7. Contingencias	-	36,250	-	36,250
TOTAL	800,000	3,555,950	642,000	\$4,997,950

LAC/DR-IEE-81-14

ENVIRONMENTAL THRESHOLD DECISION

Project Location : Dominican Republic

Project Title and Number : Rural Development Management
517-0125

Funding : \$800,000 Grant, FY's 1981-1983

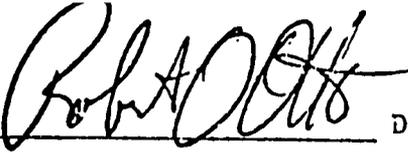
Life of Project : Four years, FY's 1981-1984

Recommended Threshold Decision : Negative Determination

IEE Prepared by : John H. Clary

Bureau Threshold Decision : Concurrence with Mission
Recommendation

Action : 1) Copy to USAID/Dominican Republic
Philip R. Schwab
2) Copy to John H. Clary
3) Copy to IEE file


Date 2/23/81

Robert O. Otto
Chief Environmental Officer
Bureau for Latin America
and the Caribbean

INITIAL ENVIRONMENTAL EXAMINATION

PROJECT LOCATION: Dominican Republic
PROJECT TITLE: Rural Development Management
FUNDING: FY's 1981-1983, \$800,000 Grant
LIFE OF PROJECT: Four Years, FY's 1981-1984
IEE PREPARED BY: John H. Clary, Mission Environmental Officer

John H. Clary 10 FEB 81
Signature Date

ENVIRONMENTAL ACTION RECOMMENDED: Negative Determination (See Page 4)

CONCURRENCE: Philip R. Schwab, Director USAID/DR

Philip R. Schwab February 10, 1981
Signature Date

I. EXAMINATION OF NATURE, SCOPE, AND MAGNITUDE OF ENVIRONMENTAL IMPACTS

A. Description of Project

1. Background

The Government of the Dominican Republic (GODR) is undertaking an increasing number of rural development activities aimed at improving small farmer production and income, and the overall quality of rural life. In addition to the GODR's own resources, AID and other donors are providing grant and loan support for these developmental activities.

GODR personnel resources for designing and implementing rural projects are thin and are becoming increasingly stretched. A further problem is that almost all GODR staff engaged in managing agricultural projects have had little or no training in administration and management, other than that gained on the job. Almost all training provided for agricultural personnel has been and continues to be technical in nature. Although there are college and middle-level faculties now producing nearly adequate numbers of agricultural technicians, there is no facility in the country for providing training in basic management or for upgrading skills for government managers.

The common practice for the Secretariat of State of Agriculture (SEA), the Dominican Agrarian Institute (IAD), and other public agricultural entities has been to place technicians in administrative and managerial positions and to expect results. Performance has been varied. A few technicians have proven to be natural managers, but they are an exceptional minority. The more frequent result is that technicians, although well qualified in their respective technical fields, have difficulty in performing the functions expected of them as managers. In turn, administrative bottlenecks develop, projects fall behind schedule, and scarce resources do not produce expected results.

2. The Project

The project aims at establishing a training center to provide management training to public officials working in the area of rural development. A private organization, the Instituto Superior de Agricultura (ISA), has been selected to establish the center, develop a curriculum, and provide training. Established in 1968 in collaboration with the Universidad Católica Madre y Maestra (UCMM),

ISA became the country's first four-year agriculture college. ISA has proven to be a leader and innovator in many areas, including wise use of natural resources and protection of the environment.

services, faculty training, teaching equipment, books, and preparation of materials at a total cost of \$800,000.

3. General Area Affected by the Project

Construction financed by the host country will enlarge ISA's campus facilities by approximately 2.5 acres. The Institute owns 625 acres of land, partly hilly, a few miles from the city of Santiago. Since its creation in 1963, ISA as a matter of policy has used only agriculturally marginal land for its buildings in order to preserve the better agricultural land for field teaching experimentation and food production for student feeding. It has also carefully avoided environmental damage from the building sites. These policies will continue to be implemented in project construction.

B. Identification and Evaluation of Environmental Impacts

Direct consequences of the project, a small amount of construction funded by the host government, and operation of a training center for limited numbers of government employees are so small as to not be of significance to the environment. The population of greater Santiago now exceeds 400,000. The additional training center, which would never have more than 100 students at any one time, will not tax the environment.

Indirect consequences of the project should have positive impact on the environment of the Dominican Republic. ISA is one of the most environment conscious institutions in the country. Priority in selection of students will be given to employees of the Dominican Agrarian Institute, charged with agrarian reform. Selection of lands to be distributed to small farmers and resettlement of farmers from degraded and degradable land have obvious, positive natural resource use implications. Similarly, the use and control of agricultural chemicals and other responsibilities of the Secretariat of State of Agriculture are of great environmental importance.

Although management of natural resources will be only one of several areas of instruction offered by the center, its proposed outline of content areas includes courses such as the national agricultural situation, strengths and constraints related to natural resources, technology, linkages, evaluation, etc. Such instruction should also have positive implications for the environment.

II. RECOMMENDATIONS FOR ENVIRONMENTAL ACTION

The proposed project will foster no change with adverse implications for the human or natural environment of the Dominican Republic. It is recommended that the Assistant Administrator for Latin America approve a Negative Determination for this project.

IMPACT IDENTIFICATION AND EVALUATION FORM

Impact
Identification
and Evaluation 1/

Impact Areas and Sub-Areas

A. LAND USE

- | | |
|--|---------------|
| 1. Changing the character of the land through: | |
| a. Increasing the population | _____ N _____ |
| b. Extracting natural resources | _____ N _____ |
| c. Land clearing | _____ N _____ |
| d. Changing soil character | _____ N _____ |
| 2. Altering natural defenses | _____ N _____ |
| 3. Foreclosing important uses | _____ N _____ |
| 4. Jeopardizing man or his works | _____ N _____ |
| 5. Other factors | |
| _____ | _____ |
| _____ | _____ |

B. WATER QUALITY

- | | |
|---|---------------|
| 1. Physical state of water | _____ N _____ |
| 2. Chemical and biological states | _____ N _____ |

1/ N - No environmental impact.
 L - Little environmental impact.
 M - Moderate environmental impact.
 H - High environmental impact.
 U - Unknown environmental impact.

3. Ecological balance N

4. Other factors

C. ATMOSPHERIC

1. Air additives N

2. Air pollution N

3. Noise pollution N

4. Other factors

D. NATURAL RESOURCES

1. Diversion, altered use of water N

2. Irreversible, inefficient commitments N

3. Other factors

E. CULTURAL

1. Altering physical symbols N

2. Dilution of cultural traditions N

3. Other factors

F. SOCIO-ECONOMIC

- | | |
|--|------------------------------|
| 1. Changes in economic/employment patterns | <u> N </u> |
| 2. Changes in population | <u> N </u> |
| 3. Changes in cultural patterns | <u> N </u> |
| 4. Other factors | |
| _____ | _____ |
| | _____ |

G. HEALTH

- | | |
|---|------------------------------|
| 1. Changing a natural environment | <u> N </u> |
| 2. Eliminating an ecosystem element | <u> N </u> |
| 3. Other factors | |
| _____ | _____ |
| _____ | _____ |

H. GENERAL

- | | |
|-------------------------------------|------------------------------|
| 1. International impacts | <u> N </u> |
| 2. Controversial impacts | <u> N </u> |
| 3. Larger program impacts | <u> N </u> |
| 4. Other factors | |
| _____ | _____ |
| _____ | <u> N </u> |



ANNEX 9

UNCLASSIFIED

BEST AVAILABLE DOCUMENT

State 054

R 041023Z MAR 81
FM SECSTATE WASHDC
TO AMEMBASSY SANTO DOMINGO 6480
BZ
UNCLAS STATE 054664

AMERICAN EMBASSY
C & R OFFICE

AIDAC

E.O. 12065:N/A

MAR 4 12 09 PM '81

TAGS:

SUBJECT: DAEC REVIEW OF RURAL DEVELOPMENT MANAGEMENT PID

Ac. I.
UDD:

Table with columns: ACTION: AID-70, INFO:, AMB, DCN, POL, BIO, ECON, USDOC, CONS, AC, BNO, CPU, GSO, PER, RSO, RMO, NCOIC, AGATT, DAO, MAAG, USICA, PC, IAGS, DIR, AD, PRG, CRD, CONT, AGR, MGT, HAN, EDU, UDD, CHRON, A/RF

1. BASED ON DAEC REVIEW OF SUBJECT PID, HELD ON FEBRUARY 23, APPROVAL GRANTED TO PROCEED TO PROJECT PAPER DEVELOPMENT AND PROJECT AUTHORIZATION. IN PREPARING PP, BUREAU REQUESTS FOLLOWING POINTS BE ADDRESSED:

2. PROJECT DESIGN: DISCUSSION FOCUSED ON WHETHER PROPOSED MANAGEMENT TRAINING COULD ACHIEVE DESIRED INCREASE IN INSTITUTIONAL PRODUCTIVITY WITHOUT COMPLEMENTARY EFFORT TO ADDRESS ORGANIZATIONAL/STRUCTURAL PROBLEMS, ONEROUS OR CUMBERSOME PROCEDURES, AND POLICY OR JURISDICTIONAL CONFLICTS AMONG AGENCIES WORKING IN AGRICULTURAL SECTOR. TO MAXIMIZE POTENTIAL IMPACT OF PROGRAM, THE TRAINING MODULE SHOULD BE DEVELOPED IN SUCH A WAY AS TO NOT ONLY MEET SPECIFIC MANAGEMENT TRAINING NEEDS FOR A GIVEN GOV AGENCY BUT ALSO TO PERMIT THE INSTRUCTORS AND PARTICIPANTS TO IDENTIFY AND PROPOSE SOLUTIONS TO THE PROBLEMS IMPEDING THE TIMELY AND EFFICIENT PERFORMANCE OF THE RESPECTIVE AGENCIES' RESPONSIBILITIES. THIS APPROACH WILL REQUIRE ADDITIONAL DIALOGUE AND CLOSER LINKAGE BETWEEN ISA AND THE PARTICIPATING AGENCIES, BUT SHOULD LEAD TO GREATER PRODUCTIVITY GAINS, IF THE RESPECTIVE AGENCY HEADS ARE DISPOSED

TO IMPLEMENT RECOMMENDATIONS COMING OUT OF THE TRAINING COURSES.

3. FINANCIAL ANALYSIS: A CAREFUL ANALYSIS OF THE LEVEL AND NATURE OF THE DEMAND FOR THE CENTER'S SERVICES SHOULD BE UNDERTAKEN, NOT ONLY WITH A VIEW TO DETERMINING FINANCIAL VIABILITY BUT ALSO TO DETERMINE PROPER SCALE AND SCOPE OF CENTER OPERATIONS.

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UNCLASSIFIED

4. ECONOMIC ANALYSIS: RATHER THAN JUSTIFYING THE PROPOSED PROJECT IN TERMS OF INCREASES IN AGRICULTURAL PRODUCTION, PRODUCTIVITY AND INCOME, EMPHASIS OF ECONOMIC ANALYSIS SHOULD BE PLACED ON INCREASED EFFICIENCY IN THE PROVISION OF GOVERNMENT (AND POSSIBLY PRIVATE SECTOR) SERVICES TO THE AGRICULTURE SECTOR. EXAMPLES OF SUCH PRODUCTIVITY INCREASES MIGHT INCLUDE: (I) ENHANCED CAPACITY OF MANAGERS TO EFFECTIVELY SUPERVISE A LARGER NUMBER OF SUBORDINATES RESULTING IN PERSONNEL SAVINGS; (II) GREATER DELEGATION OF AUTHORITY PERMITTING MORE TIMELY PROVISION OF SERVICES WITH RESULTING BENEFITS TO FARMERS; (III) ELIMINATION OF UNNECESSARY PROCEDURES AND/OR REGULATORY MEASURES RESULTING IN FASTER TRANSFER OF CAPITAL AND TECHNICAL RESOURCES TO AGRICULTURE SECTOR BENEFICIARIES. AT THIS LEVEL OF DETAIL, FAIRLY CONCRETE ESTIMATES OF INCREASED BENEFITS AND/OR SAVINGS SHOULD BE POSSIBLE. WE BELIEVE THAT THIS KIND OF ANALYSIS, WHICH DOCUMENTS INSTITUTIONAL INEFFICIENCIES IN THE SECTOR, WILL FACILITATE THE SUBSEQUENT DESIGN OF RELEVANT TRAINING MODULES AND PROGRAMS

5. BENEFICIARIES:

A. PRIVATE SECTOR: WHILE PID INDICATES CENTER'S TRAINING ACTIVITIES WILL LIKELY INCLUDE INDIVIDUALS FROM PRIVATE SECTOR; MISSION, ISA, GODR AND OTHER DONORS SHOULD SEEK AGREEMENT ON AN "INDICATIVE" RATIO OF PRIVATE/PUBLIC TRAINEES (E.G., 20/80) TO ENSURE THAT CENTER'S RESOURCES ARE PRIMARILY FOCUSED ON PUBLIC SECTOR NEEDS

B. WOMEN: IN ESTABLISHING TRAINEE SELECTION CRITERIA FOR CENTER, MISSION SHOULD SEEK TO ENSURE THAT, OVER TIME, THE LEVEL OF FEMALES SELECTED FOR TRAINING IS AT LEAST PROPORTIONAL TO THEIR REPRESENTATION IN THE POOL OF POTENTIAL TRAINEES. HAIG

BT

#4664.

BEST AVAILABLE DOCUMENT

ANNEX 10

Page 1 of 12 Pages

5C(1) COUNTRY CHECKLIST

Listed below are, first, statutory criteria applicable generally to FAA funds, and then criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FAA Sec. 116. Can it be demonstrated that contemplated assistance will directly benefit the needy? If not, has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights?

Yes
2. FAA Sec. 481. Has it been determined that the government of recipient country has failed to take adequate steps to prevent narcotics drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the United States unlawfully?

No
3. FAA Sec. 620(b). If assistance is to a government, has the Secretary of State determined that it is not controlled by the international Communist movement?

Yes
4. FAA Sec. 620(c). If assistance is to government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) debt is not denied or contested by such government?

No
5. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?

No

A.

ANNEX 10

Page 2 of 12 Pages

6. FAA Sec. 620(a), 620(f); FY 79 App. Act, Sec. 108, 114 and 606. Is recipient country a Communist country? Will assistance be provided to the Socialist Republic of Vietnam, Cambodia, Laos, Cuba, Uganda, Mozambique, or Angola? No
7. FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression? No
8. FAA Sec. 620 (j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property? No
9. FAA Sec. 620(1). If the country has failed to institute the investment guaranty program for the specific risks of expropriation, inconvertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason? No
10. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. If country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters: N/A
- a. has any deduction required by the Fishermen's Protective Act been made?
- b. has complete denial of assistance been considered by AID Administrator?
11. FAA Sec. 620; FY 79 App. Act, Sec. 603.
 (a) Is the government of the recipient country in default for more than 6 months on interest or principal of any AID loan to the country?
 (b) Is country in default exceeding one year on interest or principal on U.S. loan under program for which App. Act appropriates funds? No
12. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget which is for military expenditures, the amount of foreign exchange spent on military equipment and the N/A

ANNEX 10

Page 3 of 12 Pages

A.12.

amount spent for the purchase of sophisticated weapons systems? (An affirmative answer may refer to the record of the annual "Taking Into Consideration" memo: "Yes, as reported in annual report on implementation of Sec. 620(s)." This report is prepared at time of approval by the Administrator of the Operational Year Budget and can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

13. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption?

No

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

No

15. FAA Sec. 620A, FY 79 App. Act, Sec. 607. Has the country granted sanctuary from prosecution to any individual or group which has committed an act of international terrorism?

No

16. FAA Sec. 666. Does the country object, on basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. there to carry out economic development program under FAA?

No

17. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it detonated a nuclear device after August 3, 1977, although not a "nuclear-weapon State" under the nonproliferation treaty?

No

B. FUNDING CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria

a. FAA Sec. 102(b)(4). Have criteria been established and taken into account to assess commitment progress of country in effectively involving the poor in development, on such indexes as: (1) increase in agricultural productivity through small-farm labor intensive agriculture, (2) reduced infant mortality, (3) control of population growth, (4) equality of income distribution, (5) reduction of unemployment, and (6) increased literacy?

Yes

ANNEX 10

B.1.

Page 4 of 12 Pages

b. FAA Sec. 104(d)(1). If appropriate, is this development (including Sahel) activity designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to urban poor?

N/A

2. Economic Support Fund Country Criteria

a. FAA Sec. 502B. Has the country engaged in a consistent pattern of gross violations of internationally recognized human rights?

No

b. FAA Sec. 533(b). Will assistance under the Southern Africa program be provided to Mozambique, Angola, Tanzania, or Zambia? If so, has President determined (and reported to the Congress) that such assistance will further U.S. foreign policy interests?

N/A

c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

N/A

d. FY 79 App. Act, Sec. 113. Will assistance be provided for the purpose of aiding directly the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights?

N/A

e. FAA Sec. 620B. Will security supporting assistance be furnished to Argentina after September 30, 1978?

N/A

ANNEX 10

Page 5 of 12 Pages

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable generally to projects with FAA funds and project criteria applicable to individual fund sources: Development Assistance (with a subcategory for criteria applicable only to loans); and Economic Support Fund.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE?
HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PRODUCT?

A. GENERAL CRITERIA FOR PROJECT

- | | |
|--|--|
| <p>1. <u>FY 79 App. Act Unnumbered; FAA Sec. 653 (b); Sec. 634A.</u> (a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure)?</p> | <p>Congressional Notification
State 125397</p> |
| <p>2. <u>FAA Sec. 611(a)(1).</u> Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?</p> | <p>Yes</p> |
| <p>3. <u>FAA Sec. 611(a)(2).</u> If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?</p> | <p>N/A</p> |
| <p>4. <u>FAA Sec. 611(b); FY 79 App. Act Sec. 101.</u> If for water or water-related land resource construction, has project met the standards and criteria as per the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973?</p> | <p>N/A</p> |
| <p>5. <u>FAA Sec. 611(e).</u> If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?</p> | <p>N/A</p> |
| <p>6. <u>FAA Sec. 209.</u> Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.</p> | <p>No</p> |

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A.

7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

N/A

8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

N/A

9. FAA Sec. 612(b); Sec. 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.

Included in
Project Agreement

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

No

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes

12. FY 79 App. Act Sec. 608. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar, or competing commodity?

N/A

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102(b); 111; 113; 201a. Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained

B.1.a.

basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

Project aims at improving rural development programs for the poor.

b. FAA Sec. 103, 103A, 104, 105, 106, 107.

Is assistance being made available: (include only applicable paragraph which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.)

(1) [103] for agriculture, rural development or nutrition; if so, extent to which activity is specifically designed to increase productivity and income of rural poor; [103A] if for agricultural research, is full account taken of needs of small farmers;

Program will improve production and marketing services.

(2) [104] for population planning under sec. 104(b) or health under sec. 104(c); if so, extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems and other modes of community research.

(3) [105] for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development;

(4) [106] for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is:

(i) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;

(ii) to help alleviate energy problems;

(iii) research into, and evaluation of, economic development processes and techniques;

(iv) reconstruction after natural or manmade disaster;

B.1.b.(4).

(v) for special development problem, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;

(vi) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

c. [107] Is appropriate effort placed on use of appropriate technology?

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least-developed" country)?

Yes

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to the Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"?

No

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental and political processes essential to self-government.

Project supports development of local staffs and institutions.

g. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase or productive capacities and self-sustaining economic growth?

Yes

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, including reasonableness of repayment prospects.

N/A

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete in the U.S. with U.S. enterprise, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

N/A

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B.

3. Project Criteria Solely for Economic Support Fund

a. FAA Sec. 531(a). Will this assistance support promote economic or political stability? To the extent possible, does it reflect the policy directions of section 102?

Yes

b. FAA Sec. 533. Will assistance under this chapter be used for military, or paramilitary activities?

No

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5C(3) - STANDARD ITEM CHECKLIST

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Listed below are statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of goods and services financed? Yes
2. FAA Sec. 604(a). Will all commodity procurement financed be from the U.S. except as otherwise determined by the President or under delegation from him? Yes
3. FAA Sec. 604(d). If the cooperating country discriminates against U.S. marine insurance companies, will agreement require that marine insurance be placed in the United States on commodities financed? N/A
4. FAA Sec. 604(e). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? N/A
5. FAA Sec. 608(a). Will U.S. Government excess personal property be utilized wherever practicable in lieu of the procurement of new items? Yes
6. FAA Sec. 603. (a) Compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S.-flag commercial vessels to the extent that such vessels are available at fair and reasonable rates. Yes
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished to the fullest extent practicable as goods and professional and other services from private enterprise on a contract basis? If the Yes

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C.

5. Will arrangements preclude use of financing:

- a. FAA Sec. 104(f). To pay for performance of abortions or to motivate or coerce persons to practice abortions, to pay for performance of involuntary sterilization, or to coerce or provide financial incentive to any person to undergo sterilization? Yes
- b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? Yes
- c. FAA Sec. 660. To finance police training or other law enforcement assistance, except for narcotics programs? Yes
- d. FAA Sec. 662. For CIA activities? Yes
- e. FY 79 App. Act Sec. 104. To pay pensions, etc., for military personnel? Yes
- f. FY 79 App. Act Sec. 106. To pay U.N. assessments? Yes
- g. FY 79 App. Act Sec. 107. To carry out provisions of FAA sections 209(d) and 251(h)? (Transfer of FAA funds to multilateral organizations for lending.) Yes
- h. FY 79 App. Act Sec. 112. To finance the export of nuclear equipment, fuel, or technology or to train foreign nations in nuclear fields? Yes
- i. FY 79 App. Act Sec. 601. To be used for publicity on propaganda purposes within United States not authorized by the Congress? Yes