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

CARIBBEAN REGIONAL

PROJECT PAPER

REGIONAL DEVELOPMENT TRAINING II

AID/LAC/P-136

Project Number: 538-0087

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____	DOCUMENT CODE 3
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2. COUNTRY/ENTITY Regional Development Office/Caribbean	3. PROJECT NUMBER 538-0087
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4. BUREAU/OFFICE Latin America and Caribbean 05	5. PROJECT TITLE (maximum 40 characters) Regional Development Training II
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6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 09 30 87	7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4) A. Initial FY 83 B. Quarter <input type="checkbox"/> C. Final FY 87
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8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY 83			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
ADD Appropriated Total						
(Grant)	(99)	(1349)	(1448)	(1850)	(3150)	(5000)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country		306	306		1275	1275
Other Donor(s)						
TOTALS	99	1655	1754	1850	4425	6275

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) DA	664	690				5000		5000	
(2)									
(3)									
(4)									
TOTALS						5000		5000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 790	11. SECONDARY PURPOSE CODES
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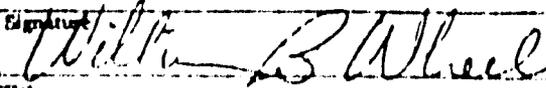
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each) A. Code B. Amount	_____
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13. PROJECT PURPOSE (maximum 480 characters)

The project purposes are to (1) upgrade the managerial and technical skills of public and private sector employees in the CARICOM LDC's and Barbados through short or long-term training (2) improve the output and performance capabilities of private enterprises and public agencies and (3) expand the institutional capacity of BIMAP to extend its training and consulting assistance to private enterprises.

14. SCHEDULED EVALUATIONS Interim MM YY MM YY Final MM YY 03 85 04 87	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY	Signature:  Title: William B. Wheeler, Director	Date Signed: MM DD YY 16 23 83	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY _____
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REGIONAL DEVELOPMENT TRAINING II

PROJECT PAPER

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I. PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS

Name of Country : Caribbean Regional
Name of Project : Regional Development Training II
Project Number : 538-0087

1. Pursuant to Part I, Chapter I, Section 105 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Regional Development Training II Project, a regional project involving planned obligations not to exceed \$5,000,000 in Grant Funds over a 4-year period from the date of authorization subject to the availability of funds in accordance with the A.I.D. OYB/allotment process to help in financing certain foreign exchange and local currency costs of goods and services required for the project as described in the following paragraph. The planned life of the project is 4 years and 3 months from the date of initial obligation in FY 1968.

2. The Project consists of a program of regional activities and support which includes (1) upgrading the managerial and technical skills of public and private sector employees through short or long term training, (2) improvement of the output and performance capabilities of private enterprises and public agencies through organization development diagnostic and problem solving methods and (3) expansion of the institutional capacity of the Barbados Institute of Management and Productivity (BIMAP) to extend its training and consulting assistance to private enterprises. The Project will be implemented by the Barbados Institute of Management and Productivity for the private sector component and under a direct A.I.D. contract for the public/private sector participant training component.

3. The agreements, which may be negotiated and executed by officers to whom such authority is delegated in accordance with A.I.D. 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 A.I.D. may deem appropriate:

a. Conditions Precedent to First Disbursement

Prior to the first disbursement under the Grant or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

1) An opinion or counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by and executed on behalf of the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms.

2) Evidence that appropriate procedures to account for A.I.D. funds and to meet A.I.D. reporting requirements, including a system of charging staff time to the project have been established.

3) A client fee structure and cost recovery policy that is acceptable to A.I.D.

b. Conditions Precedent for Training Activities

1) Prior to disbursement of funds for training activities in any participating country, BINAP will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. a semi-annual implementation plan which projects the levels of effort for BINAP assistance to the private sector, and BINAP institution-building activities.

2) Prior to the disbursement of funds for training activities for individual participating countries, BINAP will furnish to A.I.D.:

a) an agreement with the pertinent government which permits training and consultant services and, in a manner satisfactory to A.I.D., waives taxes and duties on goods and services.

b) evidence of the establishment of an Advisory Committee of at least three persons to serve as a liaison with local enterprises and selected parastatal organizations.

c) Condition Precedent to Procurement of Goods and Services

Prior to any procurement of goods and services, BINAP will, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

1) a written statement of the procurement procedures which BINAP will follow in effecting all procurement under the grant,

2) a list of items to be purchased and an indication of their intended use and

3) an explanation as to how the items will be maintained.

d. Condition Precedent to Disbursements on Contracts

Prior to disbursement of funds for technology, productivity, and/or management contracts with U.S. organizations, BINAP shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. an overall plan for the contacting, implementation and management of contracts.

e. Source, Origin, and Procurement of Commodities

Except for ocean shipping and except as A.I.D. may otherwise agree in writing, goods and services financed by A.I.D. shall have their source and origin in the United States A.I.D. Code 000, Barbados or as specifically permitted in A.I.D.'s Handbook 13 for grant agreements. Ocean shipping financed under the Grant shall be procured from the United States except as A.I.D. may otherwise agree in writing.

f. Special Covenants

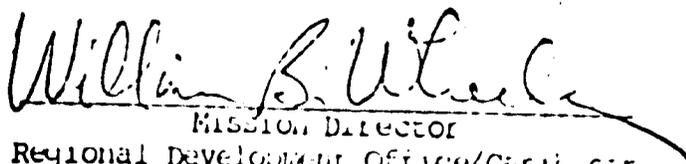
1. Project Evaluation:

The Parties shall agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

- a) evaluation of progress toward attainment of the objectives of the Project;
- b) identification and evaluation of problem areas of constraints which may inhibit such attainments;
- c) assessment of how such information may be used to help overcome such problems; and
- d) evaluation, to the degree feasible, of the overall development impact of the Project.

2. Client Fee Income

BRDP will collect client fees whenever possible and any income generated from the fees will be used to defer costs of the project within the life of the project. Status of client fee income will be included in the quarterly financial reports.


MISSION DIRECTOR
Regional Development Office/Caribbean

23 June 1983
D/le

II. PROJECT BACKGROUND, RATIONALE AND DESIGN

A. SUMMARY

The economies of the English-speaking Eastern Caribbean island-states are largely market oriented with predominately private ownership in the productive sectors. Government policy generally favors private sector development, for leaders realize that a thriving private sector would provide the tax base to create and maintain adequate levels of infrastructure and public services. The public sector, therefore, depends on the private sector to generate the tax base, while the private sector heavily depends on new investment; available credit both long and short term; a well-trained and efficient work force in industry, commerce, and tourism; efficiently managed public services; capable management in both the public and private sectors; and a political and social climate that favors entrepreneurship and creativity. Many problems, however, face the island governments and impose serious constraints to their development.

First, irrespective of size, each country must provide the same basic infrastructure and services including airports, seaports, roads, adequate water and power supplies, telecommunications, education and health systems. Diseconomies of scale result in extraordinarily high costs both on a per capita cost basis and as a function of public sector resources. In addition, technical and management staff to run each public service is limited not only by emigration of many qualified people, but also by lack of appropriate training of those remaining.

Second, the countries have traditionally relied on exports of a few primary products such as sugar and bananas which are dependent on protected external markets. The primary cash crop economies are being replaced to a large extent by other more viable options. Tourism is an area of growing importance in some countries, and foreign exchange receipts from manufacturing are also becoming significant. If this shift in emphasis is to continue, there is an increasing need for qualified, trained managers and personnel. Unfortunately, the traditional education systems have not prepared a wide spectrum of youth for realistic work opportunities; many of those receiving higher academic or professional training that is applicable, eventually find better opportunities elsewhere outside the region. A high percentage of those remaining are ill prepared to fill the existing or potential job slots.

A Task Force of the Caribbean Group for Cooperation in Economic Development, convened in 1980, determined that the private sector must be relied upon for a large proportion of additional production and employment needed for the economic and social development of the region. The Task Force and others have identified six major constraints that must be removed or eased for the private sector to emerge as an increasingly important force in the overall development of the region. These constraints include inter alia, the shortage of entrepreneurial, managerial, and technical talent and skilled labor.

In order to address the human resource constraints, the overall strategy of the Regional Development Training II Project is built upon experiences gained during the implementation of the Regional Development Training I (RDT I) Project initiated in 1979 and to significantly increase resources for private sector development. RDT I was implemented through grants of \$1,550,000 to the Organization of Eastern Caribbean States (OECS), formerly the Eastern Caribbean Common Market (ECCM), and \$2,450,000 to the Caribbean Community (CARICOM) Secretariat. The OECS component established a training unit to provide management-related group training to all levels of the public service in OECS member states through short courses. This component is not proposed for further assistance under the second training project since, it is still in force, due to delays in its initiation. The CARICOM component provided individual study grants for both short and long-term training in the U.S. and the Caribbean. This component will be continued in the new project, although CARICOM will not be used as the implementing institution.

Whereas RDT I was strongly oriented toward public sector training with some activities available to the private sector, the new project provides more support for private sector training including the introduction of new modes and methodologies for delivery of such training and critical institutionalization of these methodologies. At the same time, it will continue to make available to the public sector in recipient countries opportunities for individuals engaged in critical development activities to receive needed training in the United States and/or the Caribbean.

More specifically, PDT II will focus on the problem of human resources development--equipping people in private enterprise and government with the knowledge and skills they need to improve the performance of the organizations in which they work or to establish new productive enterprises. This will contribute to higher standards of living through increased employment, lower costs, and/or expanded goods and services.

B. PROJECT DESIGN

In order to effectively address the aforementioned problem, the project has been designed and will be administered as two separate components: private sector training and public/private sector participant training.

1. Private Sector Training:

A four year private sector component will be administered by The Barbados Institute of Management and Productivity (BIMAP), a non-profit training and consulting organization of increasingly regional impact. BIMAP enjoys an excellent reputation both in Barbados and other Eastern Caribbean countries, due to the quality of the program, excellent leadership, and fine professional staff. It is a highly suitable organization to provide the training to be offered under this project. The Executive Trustee, who heads the operating activities of BIMAP under the general policy guidelines established by the Board of Trustees, is keenly interested in expanding the capability and influence of the organization, and in further developing its resources in the areas of technology and productivity consulting. AID general policy not only favors the institutional strengthening of indigenous regional institutions, but also the use of such organizations in the provision of technical assistance to private sector enterprises. BIMAP has, therefore, been selected as the implementing organization of the private sector component of RDT II.

Countries to be included in the private sector component of the new project are Antigua, Dominica, Grenada, Montserrat, St. Kitts-Nevis, St. Lucia, St. Vincent, and Barbados. In addition, BIMAP has established working relationships in the Cayman Islands, Anguilla, and Belize, and will respond to requests from firms in these states as well as to requests from the British Virgin Islands. Initial private sector components, however, will be focused on Barbados and the members of the Organization of Eastern

Caribbean States. Five of these countries will be included in Year I and six in Year II. Expansion of activities to other locations will be considered for the third and fourth years of the project on the basis of findings in the mid-term review.

Although an MDC, Barbados is included owing to the need and applicability of the training to be undertaken, as well as to the institutional development aspects of the project which seek to expand and further develop the capabilities of the Barbados Institute of Management and Productivity to deliver effective training programs to private sector organizations in the region. Countries within the English-speaking Caribbean area that have their own management institutes, as is the case of Guyana, Trinidad and Tobago, and Jamaica, are excluded from the private sector training program, as the Barbados Institute of Management and Productivity has long maintained a policy of not working where such resources are available.

2. Public and Private Sector Participant Training

The majority of public and private sector participant training will be programmed over a two-year period under a contract with a U.S. organization. Both long and short-term training in the Caribbean or the U.S. will be available for participants from Antigua, Barbados, Dominica, Montserrat, St. Lucia, St. Kitts-Nevis, St. Vincent, Anguilla, Cayman Islands, and the British Virgin Islands.

Based on the three years of prior experience with the Mission's first regional training project, a continuing demand for training in the public sector exists. RDT II will provide a flexible response to varying training needs as they arise in key development areas. In addition to technical training in health, transportation, energy, economic development, information systems, science, technology, agriculture and education, general management, public administration, and supervisory training will be emphasized. Management training will facilitate the modernization of a broad range of public services. Public administration training will be stressed across sectors in financial management, planning, administrative techniques, leadership, communications, port, tax, and customs administration. Other areas of concern in the public sector include enhancing the role of women in development, on-going maintenance of physical facilities, environmental protection, and the management of natural resources.

Of particular importance is the upgrading of the management and service capabilities of the parastatals. The needs of public utility organizations, which are basic to the overall efficiency of

Both the public and private sectors, will receive priority attention. Emphasis will be placed on training individuals from organizations which provide essential services in support of the private, productive sectors.

Two specific private sector participant training opportunities will also be incorporated in the component. First, a limited amount for short-term training will be available to private sector individuals recommended by the private sector selection committees established in each of the countries. These candidates will be referred to RDO/C for approval along with the public/parastatal nominees. The second category for private sector training will be those individuals identified by BIMAP under the private enterprise participant training program. Through the organizational development and intermediate enterprise assistance modes, BIMAP will identify the individuals and provide details of the training required. However, the actual programming and processing of these candidates will be included under the overall participant training contract.

C. CONFORMITY WITH RECIPIENT COUNTRY PROGRAMS

The Less Developed Countries (LDCs) of the Eastern Caribbean and Barbados have all embarked on programs of economic and social development. While most do have national development plans and/or basic development strategies, industrial development policy is identifiable principally through efforts to attract foreign investment by means of tax holidays, creation of industrial parks, and related incentives to entice private entrepreneurs to build factories, erect hotels, establish agro-industries, or engage in other employment generating activities.

The success of development efforts in all the island states clearly depends on the existence of capable managers and a skilled work force, for enterprises cannot survive without the human resources to operate them. However, entrepreneurial skills are far from abundant, and owners of factories, businesses, hotels and utilities complain constantly of the lack of middle management, trained technicians and engineers, and capable supervisors. Expatriates are commonly hired for such roles or contracted to perform them on a temporary basis until domestic managers and technical personnel can be trained. Programs to provide the needed training and education are directly in keeping with the perceived and expressed needs of the island governments.

Many business enterprises and managers throughout the Eastern Caribbean islands participated in the determination of the scope, focus, and the methodology of this project, pointing out precisely the kinds of training activities that would be most

helpful to them and those which would be of least value. It was by reason of their participation that stress was placed on the continuation of participant training and the use of organization development techniques as a form of in-house training for the private sector. These methods are themselves highly participative and actively involve managers and employees in the identification, analysis, and resolution of problems within their organizations. The Barbados Institute of Management and Productivity's executive trustee and other personnel have participated actively in needs analysis within private sector organizations and design of projects elements to meet the perceived needs.

D. RELATIONSHIP TO THE CDSS

The Regional Development Office/Caribbean (RDO/C) has developed a broad strategy for addressing many of the problems facing the Eastern Caribbean island states. Within the context of the Caribbean Basin Initiative, RDO/C is seeking to identify new projects for private sector development; encourage new investors to operate in the region; help finance infrastructure development; provide credit, equity, and venture capital through support of existing or new financial institutions to serve the private sector; and to offer financial management and skills training for the private and productive sectors.

The Regional Development Training Project II is part of a private sector development strategy that has been progressively elaborated by the Mission in recent years. Working from RDO/C's CDSS, AID/W worldwide guidance on private sector and institutional development, and from RDO/C's CBI implementation plan, the project seeks to be supportive of private sector growth and modernization, the strengthening of indigenous private sector institutions, and overall economic growth in the region. Such growth can only come about through the creation of new industrial and service institutions, the expansion and improvement of existing ones, and with diversification of and higher output from agriculture. Injections of new capital, while needed, cannot alone produce the desired growth.

RDO/C's FY83 CDSS notes that there is a lack of absorptive capacity in the region owing in part to the human resources constraints already mentioned. Few opportunities exist in either the public or private sectors to address these constraints through in-service training in management or technical subjects. The CDSS states that AID's strategy is to support appropriate common services and economics of scale for the small states of the Eastern

Caribbean, and that this strategy involves maximizing Caribbean capabilities to deal with development problems by strengthening institutions that provide research, training, and other technical services in the region.

In addition, AID/W's Worldwide Guidance Cable for FY84, as well as its Policy Paper on Private Enterprise Development (May, 1982), stress institutional development related to human resource capacity building in the LDCs. The institutional strengthening of the Barbados Institute of Management and Productivity (BIMAP) as a regional private sector research and training institution supports both the Caribbean Basin Initiative and the Mission's strategy for indigenous private sector institutional development.

The Mission has a number of related projects which have been designed as part of the private sector strategy. BIMAP will coordinate with institutions/organizations administering the Private Sector Investment Assistance Project, Caribbean Financial Services Corporation, and those being implemented by the Caribbean Development Bank. The private sector component of PDT II will complement the Private Sector Investment Assistance Project being administered by the Caribbean Association of Industry and Commerce (CAIC). The project provides for institutional support of CAIC, as well as support for the development and implementation of programs in research, data collection, technical assistance, economic development and training. A training unit within CAIC brokers courses and seminars among the Caribbean countries on specific topics of interest to private enterprise. Consultants, particularly from Barbados and Antigua, have been hired to teach subjects of interest to the garment industry, to exporters, and to small businessmen. Top management courses have also been offered. These courses reach an important audience, particularly commercial organizations associated with national Chambers of Commerce or CAIC itself. Many important enterprises are not so associated, however, and even if very well attended, the courses and seminars would be able to address only a limited portion of the need. In addition, BIMAP programs are designed to be enterprise specific rather than address general topics and to focus more on productive industries than on those businesses in the commercial and trading sectors.

The Mission has recently developed the Caribbean Financial Services Corporation (CFSC) Project which will establish a regional private sector development bank. The bank will provide term lending and other lending services for agrobusiness, manufacturing, tourism, and service industries. Sub-borrowers of

the CFSC will be referred to BIMAP as a potential source for assistance in training.

Likewise, a number of projects are being funded through the Caribbean Development Bank (CDB). BIMAP will inform CDB of the training project and will coordinate with the appropriate CDB officials in order to avoid duplication of training efforts in the Region.

In relation to other on-going, centrally-funded projects, the three year LAC Training Initiatives Project was used in FY82 to facilitate direct negotiations with public and private sector institutions which had not received adequate attention under the RDT I component administered by CARICOM. It was coordinated through each country's public service training officers. The Mission is using the LAC Project in FY83 to bridge the gap between the end of RDT I and the time when training commitments can be made under RDT II.

The \$7.8 million Caribbean Basin Scholarship Fund Project which is administered by five organizations, was recently established to fund training in the United States for approximately 500 individuals. Since this project will include Central America and the Caribbean; it is anticipated that there will be a limited number for the Eastern Caribbean. At this time, it is estimated that 240 bachelor-level and 35 post-graduate-level degrees will be awarded. In addition, 200 participants will receive non-degree long or short-term technical/management training. All training will be in areas which respond to priority development needs; however, numbers of people to be trained from the countries to receive assistance under this project have not yet been determined. Although the RDT II Project focuses on private sector training and upgrading of public sector personnel which complements the Caribbean Basin Scholarship Fund initiative, close coordination with those organizations administering the CBI Project will be essential in order to maximize training opportunities among the countries participating in both.

III. PROJECT DESCRIPTION

A. SUMMARY

There are two major components of the RDT II project. The first is a four-year grant of \$2,150,000 to the Barbados Institute of Management and Productivity to finance the provision of those services and activities set forth in the Implementation Plan. These include organization development interventions in private sector and selected parastatal enterprises, conduct of management training courses, and assistance to intermediate size enterprises through workshops, training sessions, and consultation. In addition, BIMAP will contract with U.S. organizations for special consultants in technology, productivity, and management to address specific operating problems of private sector organizations. They will also identify private sector candidates primarily during the organization development interventions and through consultations with intermediate size enterprises, to be awarded participant training grants.

The second input is the allocation of \$2,850,000 over a two year period for participant training of both private and public sector employees of Caribbean states, to be conducted in the U.S. and Caribbean countries. This phase of the project is to be implemented under a contract with an American organization under direct contract to RDO/C.

B. PROJECT GOAL

The goal of RDT II is to increase the viability of private enterprises and the performance of public sector services. The viability of private enterprises may be judged not only by profitability, but also by the level of productive efficiency, adaptability to a changing environment and ability to expand as business warrants. A firm that is profitable now but out of business three years from now by reason of inadequate planning, or missed opportunity, will not meet the needs of the region for sustained growth and shared socioeconomic benefits. Creation of new or additional employment through private means may be an additional benefit resulting from project goal achievements. Improved performance in the public sector may be judged by higher levels of achievement of public programs, extended coverage of vital services, and attainment of program and service objectives at reasonable costs.

C. PROJECT PURPOSE

The project purposes are to (1) upgrade the managerial and technical skills of public and private sector employees in the CARICOM LDC's and Barbados through short or long-term training (2) improve the output and performance capabilities of private enterprises and public agencies and (3) expand the institutional capacity of BIMAP to extend its training and consulting assistance to private enterprises.

At the purpose level, the project highlights organizational capabilities and institutional development. In reference to the first two project purposes, success in institutional and human resource development produces socioeconomic benefits principally through increases in organization outputs. Training is a vital means to increase an organization's capabilities--needs diagnosis, better allocation of functions, simplified processes, improved production technology, modernized financial and accounting practices, market development, and improvements in managerial capability and style--all of which involve some training elements, provide the best prospect for early improvements in both public and private organizations.

The third purpose highlights the need to assist in expanding the developmental role of an important institution: Barbados Institute of Management and Productivity. BIMAP will be responsible for two major elements in the private sector component: (1) technical assistance through organization development (OD), management training (MT) and intermediate enterprises assistance (IEA) and (2) the identification of individual private enterprise participants for training. Individual participants for short-term training will be identified through the organizational development and intermediate enterprise assistance programs. It is important to note, however, that participants will be programmed, processed, and financed under the participant training component.

D. PROJECT OBJECTIVES AND END OF PROJECT STATUS

The relationship of the project goal, purposes, and end-of-project status for each of the two components is as follows:

1. Private Sector Component

The project goal to increase viability of private

enterprises and selected parastatals will be accomplished by upgrading the technical and managerial skills of the employees. Parastatals will participate subject to specific selection criteria and review by the implementing organization and USAID.

The institution identified to administer the private sector component is BIMAP. As a result of this added responsibility and as stated in the purpose, the project will provide for the expansion of the scope and technical competence of the Institute. In addition, by the end of the project, the following estimated outputs will have been realized:

a) 48 business enterprises or selected parastatal organizations in from 8 to 11 of the Caribbean states will have received organization development (OD) assistance designed to improve their management and productivity and thereby raise their level of output, profitability, and performance. Increases in outputs will have been measured as they occur.

b) 560 private enterprise and parastatal managers and supervisors who participate in approximately 28 management training courses will have received training in executive development, improved management and supervision, and/or other key areas of management such as marketing or finance through the management training mode (MT).

c) 315 intermediate size enterprises (IEA) in 7 to 10 Caribbean states will have received consulting and training assistance on a group basis, and the impact of this assistance will have been recorded in terms of increased viability, better financial records, and higher productivity.

d) At least two Master's degrees and 3.5 person years of short-term training will have been earned by members of the staff of the Barbados Institute of Management and Productivity.

e) A verifiable increase in the capabilities of the Barbados Institute of Management and Productivity will have been

realized. The professional staff of the organization will have increased by approximately six persons and their ability to deliver training and consulting services will have been greatly enhanced due to institutional building including BIMAP staff expansion, training, and experience. The Institute will have developed a keen sense of the productivity and technology problems of Eastern Caribbean enterprises and, just as important, it will have developed appropriate contacts and relationships with U.S. sources for design, technology, and productivity improvement.

Project beneficiaries will be: (a) small and intermediate size business persons, manufacturers, and managers of utility organizations who benefit from consultancies, organization development interventions, and in-house training (By U.S. standards, even the larger organizations targeted for organization development assistance are small); (b) the employees of private and selected parastatal enterprises, including new employees who gain jobs as organizations expand and produce more goods and services; and (c) the primary institutional beneficiary, the Barbados Institute of Management and Productivity. Strengthening of BIMAP will multiply benefits to the businesses and manufacturers which constitute its main clients, their employees, and additional employees who are hired as businesses grow.

2. Public and Private Sector Participant Training

In order to increase the performance of public development organizations, as stated in the project goal, capabilities and incentives to achieve and sustain increases in production and performance will be provided through training opportunities for public sector employees. Both long-term and short-term grants for upgrading the technical and managerial skills will be programmed for the public and private sectors. In order to determine funding levels, a maximum amount for training will be allocated to each of the participating countries according to perceived needs and relative populations. The number and mix of training grants, however, will be determined by each country and subject to USAID review and approval. Participants identified under the BIMAP component will also be processed under this contract. For programming purposes long-term grants are estimated to be 18-24 months and short-term grants are budgeted for 2 months per participant. Both the long and short term grants are for training in the United States and Caribbean Countries.

By the end of the project it is estimated that the following person-years of training will have been completed:

- a) Public Sector
30 person years of long-term and 15 person years of short-term public/parastatal training will have been completed as identified by in country committees and approved by USAID.
- b) Private Sector
5.7 person years of short-term private sector training will have been completed as identified by in country committees and approved by USAID.
- c) Private Enterprise
17 person years of short-term training will have been completed. These trainees will have been identified by BIMAP and programmed under the umbrella participant training contract.

E. INPUTS

In order to produce the end-of-project outputs described above, the project will provide for technical assistance, public and private participant training, BIMAP staff training, commodities, management expenses, contracts, personnel, evaluation and other expenses over a four year period. AID will finance costs totaling US\$5 million of the project's total costs of US\$6,275,000. The private sector component will provide additional inputs through client charges and staff salaries for those in training. These inputs are estimated at US\$879,000. The participant training component will require the continuation of local salary payments for participants in training, estimated at US\$10,000 annual salary, with an eight percent inflation factor or US\$796,000 for a total host contribution of US\$1,275,000 over the life of the project.

1. Private Sector

The project will fund technical assistance to the Barbados Institute of Management and Productivity (BIMAP) and to the participating countries through the services of BIMAP. Both long and short term training for BIMAP staff, the hiring of six additional personnel and the purchase of equipment and supplies will be funded as the BIMAP institution-building aspects of the Project. With these and project fund inputs, BIMAP will be able to provide the following training and services:

a) BIMAP Institution Building Inputs

1) Staff Training:

Long-term and short-term training for BIMAP staff will be funded.

2) Additional Staff:

Additional staff will be hired to augment the BIMAP staff for the management training component of the project. Job descriptions are included in Annex K.

3) Supplies/Equipment

The project will provide funds to purchase teaching materials including management texts, film/video cassettes and management journal subscriptions. In addition, equipment will be purchased to include portable video cassette systems, portable overhead projectors/screens, 16mm film projectors, word processing systems, typewriters, mini-computers, software and a photocopier. A detailed list is presented on Table 8.

4) Travel Costs:

Funds are available for initial travel to all of the countries and for the Project Director to visit the U.S. technology centers.

b) Professional Services provided by BIMAP

- 1) Interventions will be conducted under the Organization Development Assistance (OD) to private enterprises and parastals. BIMAP will conduct OD seminars in each of the island countries to introduce the method and acquaint interested private sector entrepreneurs and top managers.
- 2) Management Training courses will be offered to meet specific needs of clients in organizations on each of the islands. Additional BIMAP professional staff will be hired to carry out this training.
- 3) Intermediate enterprises will be assisted through BIMAP consulting/training services in which specific areas of needs as expressed by the entrepreneurs and employees will be addressed.

c) Contracts with U.S. Organizations

Project funds will be used to contract U.S. organizations for assistance in technology, productivity and management. Linkages will be established with one or more centers to assist BIMAP in the identification and contracting of U.S. organizations.

BIMAP will contribute to the project by 1) contributing an estimated percentage of person year cost recovery through client charges, and 2) paying staff salaries while individuals are in training. Tables 6 & 7 in the Implementation Plan provide specific details.

2) Public and Private Sector Participant Training Grant

Administration of the public sector long and short-term, private short-term participants as well as the

short-term private enterprise training of the RDT II Project will be contracted with a qualified organization. Therefore, project inputs will include:

a) Training Costs

Funds will be available for:

- 1) Long and short-term public sector and short-term private sector individual training grants in the U.S. or Caribbean.
- 2) Short-term private enterprise grants in the U.S. or Caribbean, as determined by BIMAP.

b) Contract Costs

Funds are available for contracting a U.S. organization to administer the participant training component.

- 1) Administration costs of processing individual participants based on 15 percent of actual training costs.
- 2) Local office and local-hire personnel costs associated in the management of all public and private sector training.

The host country and private enterprise contributions will be the payment of salary while the participant is in training. For long-term training the cost of airfare will also be paid by the sponsoring country or firm.

IV. COST ESTIMATE AND FINANCIAL PLAN

The proposed project will total \$6.27 million of which AID will contribute \$5.0 million in grant funds. Of the AID contribution \$2.15 million will be granted to the Barbados Institute of Management and Productivity (BIMAP) and \$2.85 million will be provided for public and private sector participant training. BIMAP will contribute \$879,000 while \$396,000 will be contributed to the participant training component as salary continuance. The BIMAP component, including private enterprise participant training, will be implemented over a 51-month period; the public and private sector participant training will be implemented over a 32-month period. Implementation of the BIMAP component will begin during the last quarter of FY 83; contract negotiations will begin in the fourth quarter of FY 83 for the participant training contract and are expected to completed by February 1984.

Table 1 projects disbursement of AID grant funds; Table 2 presents a summary of project cost estimates and project outputs; and Table 3 details AID and host country project inputs and projected expenditures by fiscal year.

TABLE 1
AID DISBURSEMENT OF FUNDS
(US\$000)

<u>Year</u>	<u>BIMAP</u>	<u>Participant Training</u>	<u>Amount</u>
1983/84	775	1147	1922
1985	605	1207	1812
1986	470	238	708
1987	<u>300</u>	<u>258</u>	<u>558</u>
TOTAL	<u>2,150</u>	<u>2,850</u>	<u>5,000</u>

TABLE 2
SUMMARY COST ESTIMATE AND PROJECT OUTPUT

<u>SOURCE</u> <u>USE</u>	<u>AID</u> <u>F.Y.</u> <u>000's</u>	<u>HOST</u> <u>L.C.</u> <u>000's</u>	<u>TOTAL</u> <u>000's</u>	
I. Grant to Barbados Institute of Management and Productivity				
A. Professional Services				
1. Organizational Development Assistance	749	453*	1,212	46 Organizational Development Interventions.
2. Management Training	107	71*	178	28 Management Training Courses.
3. Intermediate Enterprise Assistance	378	-	378	315 Intermediate Enterprises Assistance
B. Technology, Productivity, and Management Contracts with U.S. Organizations.	470		470	Assistance as needed by enterprises/applied research.
C. BIMAP Staff Training				
1. Long-Term Training for BIMAP Staff	76	149	225	3.7 Person years of training
2. Short-Term Training for BIMAP Staff	135	196	331	3.5 Person years of training
D. Travel***	25		25	Local and International Travel
E. Commodities	150		150	
F. Evaluation	60		60	10/yr. for annual audits, 30 for evaluations
SUBTOTAL:	2,150	879	3,029	
II. Public/Private Sector Participant Training				
A. Training				
1. Public - long/short-term	1,250	330**	1,580	30 Long-term/15 person years short-term training
2. Private short-term	200	46**	246	5.7 person years short-term training
3. Private Enterprise	600	20	820	17 person years short-term training
B. Contract Costs				
1. Administration of Participants	338	-	338	Management of above at 15%
2. Direct Contract Costs	220		220	
C. Evaluation Costs	42		42	
SUBTOTAL:	2,850	396	3,226	
TOTAL PROJECT COST	5,000	1,275	6,275	

Notes: * Based on an estimated percentage of person year cost recovery by BIMAP through client charges equal to 25 percent in years 1 & 2 for all clients, and for new clients in years 3 & 4. Existing clients will be charged 40% in year 3 and 60% in year 4.

** Based on salary continuance of public sector training participants, at an estimated \$10,000 annual salary with an eight percent inflation factor.

*** For initial travel to the U.S. and participating countries.

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TABLE 2
PROJECT INPUTS & PROJECTED EXPENDITURES BY FISCAL YEAR

SOURCE USE	Year 1		Year 2		Year 3		Year 4		TOTAL		LINE ITEM TOTAL
	100%		80%		60%		42%		AID	BIMAP	
	AID	BIMAP	AID	BIMAP	AID	BIMAP	AID	BIMAP			
I. BIMAP Component											
A. Professional Services*											
1. Organizational Development Assistance to Private Enterprises & Parastatals	239	-	240	72	197	158	73	233	749	463	1212
2. Management Training Courses	32		30	15	34	17	11	39	107	71	178
3. Intermediate Enterprise Assistance	91		130		107		50		378		378
B. Technology, Productivity, and Management Contacts with U.S. Organizations	99		113		122		136		470		470
C. BIMAP Staff Training											
1. Long-Term Training	53		23	37		57		55	76	149	225
2. Short-Term Training	76		59	27		81		88	135	196	331
D. Travel	25								25		25
E. Commodities	150								150		150
F. Evaluation**	10		10		10		30		60		60
SUBTOTAL	775	-0-	605	151	470	313	300	415	2150	879	3029
II. Public & Private Sector Participant Training											
A. Training											
1. Public Long/Short-Term Training	625	165	625	165					1250	330	1580
2. Private Short-Term Training	100	23	100	23					200	46	246
3. Private Enterprise Participant Training	177	5	192	5	207	5	224	5	800	20	820
B. Contract Costs											
1. Administration	135		138		31		34		338		338
2. Direct Contract Costs	110		110						220		220
C. Evaluation			42						42		42
SUBTOTAL	1147	193	1207	193	238	5	258	5	2850	396	3296
TOTAL ALL EXPENDITURES	1922	193	1812	344	708	318	558	420	5000	1275	6275

* Includes associated travel and per diem costs.

** Includes annual audit.

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TABLE 4
BIMAP ACTIVITY BUDGET BY YEARS

(Budget Components 1 A)

<u>YEAR 1</u>	<u>OD</u>	<u>MT</u>	<u>IEA</u>	<u>Total</u>
ACTIVITY	157,000	20,250	67,500	245,250
TRAVEL	70,000	9,000	37,750	116,750
TOTAL COST	239,000	32,000	91,000	362,000
AID COST @ 100%	239,000	32,000	91,000	362,000
 <u>YEAR 2</u>				
ACTIVITY	179,820	25,515	94,770	300,105
TRAVEL	74,000	10,500	39,000	186,895
TOTAL COST	312,000	45,000	130,000	187,000
AID COST @ 80%	240,000	30,000	130,000	400,000
 <u>YEAR 3</u>				
ACTIVITY	193,880	27,510	120,180	323,570
TRAVEL	161,120	23,490	66,986	189,430
TOTAL COST	355,000	51,000	107,000	513,000
AID COST @ 60%	197,000	34,000	107,000	338,000
 <u>YEAR 4</u>				
ACTIVITY	215,080	33,960	33,960	283,000
TRAVEL	90,920	16,040	16,040	123,000
TOTAL COST	306,000	50,000	50,000	406,000
AID COST @ 42%	73,000	11,000	50,000	134,000
TOTAL PROJECT COST	\$1,212,000	\$178,000	\$378,000	\$1,768,000
AID	\$ 749,000	\$107,000	\$378,000	\$1,234,000
BIMAP	\$ 463,000	\$ 71,000	\$ -0-	\$ 534,000

MC

A. SUMMARY EXPLANATION OF USES OF PROJECT FUNDS

The project budget is designed to provide essential information for each of the two components, however, these require further explanation in terms of the formulas used in calculating project costs.

1. PRIVATE SECTOR (BIMAP) COMPONENT

a) Activity Costs

Two alternatives were considered for calculation and subsequent disbursements for the costs of BIMAP professional services: a daily rate payment for any of BIMAP's professional staff working on the project or the hiring of additional staff to be devoted to the project on a full time basis. Rather than establish a differentiated unit within BIMAP, it was agreed that BIMAP's professional services would be deferred on an actual time worked basis. This would permit more flexibility in the deployment of BIMAP staff and more fully integrate the project into BIMAP's operations. Therefore, BIMAP activity cost estimates are based on the number of person-days required to undertake the desired activities as described in detail in the implementation plan. The person-day cost of BIMAP professional staff was set at \$225 for the first year and inflated at an eight percent rate per annum over the life of the project. The formula used to calculate this person-day cost is detailed on Table 5, Annex L.

b) Inputs and Client Charges

As AID's diminishing financial input to the project is inversely proportional to the BIMAP contribution, AID will provide 100% in Year I, 80% in Year II, and 60% in Year III and 42% in Year IV while BIMAP will contribute 20% in Year II, 40% in Year III, and 58 % in Year IV. The BIMAP contribution will be realized through client charges and continuation of salary while staff is in training. Fees will be charged for organizational development and management training. These will be based on the individual firms overall financial status including a review of the balance sheet and ability to pay. A minimum level of 10% of the portfolio will be set aside for start-up firms. These will be assisted on a no cost basis until they are able to pay if their prospects for success are deemed reasonable. The ratio of those that can pay for services and those that cannot, as well as the feasibility to continue to assist those who cannot pay, will be analyzed after the first year of implementation. Multinationals will be charged on a full-cost basis.

c) Overhead

1) Based on audited BIMAP financial statements, estimated overhead costs in Barbados are 50 percent of full-time professional staff wages. The calculation of person-day rates is based on an annual BIMAP professional staff salary of \$49,000 Barbados dollars per year (24,500 US), with 15 percent in fringe benefits and an allowance of 60 percent for overhead. This overhead rate has been achieved with experience in offering a now standardized supply of services in a single country with one accounting fund. The overhead costs for a new operation involving activity in eleven countries, the likely establishment of two satellite offices, and the maintenance of a separate accounting fund that must issue quarterly reports must of necessity be higher. Downtime between professional business consulting projects is inevitable, and all the more unavoidable as new projects are being developed on different islands. Therefore, a provisional overhead of 60 percent has been provided in person-day cost calculations. The provisional rate is subject to annual audit.

d) Reimbursement/Reporting Requirements

AID support for the project will be through direct cost reimbursements, after an initial 90 day advance. BIMAP will be required to submit quarterly financial status reports with detailed breakdowns of expenditures for each budget line item. This financial review will accompany the narrative quarterly project progress report.

2. PUBLIC AND PRIVATE SECTOR PARTICIPANT TRAINING COMPONENT

The RDT II project provides \$2,850,000 for participant training for individual public and private sector employees, as well as private enterprise training participants to be identified by BIMAP.

a) Public Sector Training

Both long and short-term grants will be available for up to ten Caribbean countries for public sector participant training. For budgetary purposes long-term training is defined as 18-24 months at a cost of \$21,000 per year while short-term training is based on two months per participant at a cost of \$3,500/month. The total amount available under this component for both long and short-term training is \$1,250,000.

b) Private Sector Training

Short-term private sector training will be available for individuals identified by country selection committees in ten Caribbean countries. The amount to be earmarked for training in the U.S. or Caribbean is \$200,000 over a two-year period.

c) Private Enterprise Training

Private sector trainee grants will be available for up to eleven Caribbean countries for training in both the U.S. and the Region. The short-term costs for participants identified by BIMAP are calculated for two months at a rate of \$3,500 per month with a compounded inflation rate of 8 percent per year. The total amount available is \$800,000.

d) Management of the Participant Training

Management of the participant training component of the project will be contracted according to AID regulations. Cost estimates to process the candidates are calculated at 15% of the total training amount of \$2,250,000 or \$338,000.

e) Direct Contract Costs

Another \$220,000 has been budgeted for a local office/personnel contract costs. Details of the cost estimate are broken down in Table 13.

f) Counterpart Contribution

Counterpart contribution in the amount of \$376,000 has been calculated on the basis of salary continuance of public sector participants at an estimated \$10,000 annual salary with an eight percent per annum inflation factor.

g) Reporting Requirements

An initial 90 day advance will be provided under the contract with direct cost reimbursements for both contract and training costs. Quarterly financial reports will be submitted to AID with detailed budget line item information. This financial report will accompany the required quarterly narrative project progress report.

V. IMPLEMENTATION PLAN

A. PRIVATE SECTOR COMPONENT

1. Training and Consulting Programs

There are three major elements to the training and consulting programs to be conducted by BIMAP under this project. Each will be discussed in turn; however, the schedule of activities under each program is set forth for the life of the project in the accompanying tables. Table 6 indicates the program activities by country and billable person-days over the life of the project and Table 7 shows the activities by country, activity cost, and travel cost for each year of the project. Clients eligible to participate in this component are private sector firms, parastatals and multinationals. Firms will pay a percentage for all training costs, while multinationals will pay full costs. Parastatals will be viewed on an exception basis and will require prior review and agreement by BIMAP and USAID. Priority will be given to those parastatals which provide essential services in support of the private, productive sector.

(a) Organization Development Program

Organization development (OD) is a training and consulting mix. It was selected as a particularly appropriate training mode for working with the private sector enterprises of the Eastern Caribbean because the owners and managers have stressed repeatedly that training to be useful to them must be based on a diagnosis of organizational needs and conducted in-house or on the job rather than away from the work place. Managers also complain frequently of the difficulties they have in developing supervisors and motivating the work force, often revealing in the form and manner of the complaint deficiencies in their own management capability and style. This combination of factors points directly to organization development as a highly appropriate approach to meeting the needs of the enterprises. Fortunately, it is a training mode with which BIMAP has some experience and which the leadership of BIMAP feels should be a major thrust of the organization over the next decade.

TABLE 0
ACTIVITY SCHEDULE

Activities are shown by country, and the person-days required for each year of the project. OD indicates organization development, MT indicates management training, and IEA indicates intermediate enterprise assistance. Summary appears in right column
Year 1

Antigua			Barbados			Dominica			Montserrat			Grenada			St. Kitts			St. Lucia			St. Vincent			Others*	Summary	
OD	MT	IEA	OD	MT	IEA	OD	MT	IEA	OD	MT	IEA	OD	MT	IEA	OD	MT	IEA	OD	MT	IEA	OD	MT	IEA	IEA	(in person-da	
120			170			70									170			170								OD= 760
	15						15									30			30							MT= 90
		75						75									75			75						IEA= 300
																							Total = 1,090			

Year 2

120			120			70			70						120			120			120					OD= 740
	15						15			15						30			15			15				MT= 105
		60						75			30						75			75			75			IEA= 390
																							Total = 1,235			

Year 3

120			70			70						120			120			120			120					OD= 740
	15						15						15			15			30			15				MT= 105
		30						60					60			60				60			45	75	IEA= 390	
																							Total = 1,235			

Year 4

70			70			70			70			120			120			120			120					OD= 760
	15						15			15			15			15			30			15				MT= 120
											30		30										10	50	IEA= 120	
																							Total = 1,375			

* Others include the Cayman Islands, Belize, and the British Virgin Islands.

Note: Manpower needs can be obtained by dividing the total person-days by 200, the number of billable days per year used by BIMAP in estimating income generation of a professional staff person.

Normal BIMAP activity will continue throughout the life of the project. These activities include the following:

1. Internal courses in functional areas - each 45 hours over 12 weeks, approximately 35 a year;
2. External courses, custom-built, in-company, 20 to 60 hours each, approximately 35 a year;
3. Eight to ten consulting or major research projects a year;
4. Counselling and accounting assistance to 115-130 small business firms in eight Caribbean countries each year.

Items 1-3 are conducted primarily in Barbados.

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TABLE 7
PROGRAM BUDGET

Costs of professional service and travel are shown by country and type of activity for the life of the project. CD indicates Organizational Development, MT indicates Management Training, and IEA indicates Intermediate Enterprise Assistance.

<u>Professional Services and Travel</u>										
<u>Activity</u>	<u>YEAR 1</u>									
	<u>Antigua</u>	<u>Bartados</u>	<u>Dominica</u>	<u>Montserrat</u>	<u>Grenada</u>	<u>St. Kitts</u>	<u>St. Lucia</u>	<u>St. Vincent</u>	<u>Others</u>	<u>Summary</u>
CD	\$27,000	\$38,250	\$15,750	-	-	\$38,250	\$38,250	-	-	\$157,500
MT	\$ 3,375	-	\$ 3,375	-	-	\$ 6,750	\$ 6,750	-	-	\$ 20,250
IEA	\$16,875	-	\$16,875	-	-	\$16,875	\$16,875	-	-	\$ 67,500
Sub Total	\$47,250	\$38,250	\$36,000	-	-	\$61,875	\$61,875	-	-	\$245,250
Travel										\$116,750
TOTAL										\$362,000

<u>Professional Services and Travel</u>										
<u>Activity</u>	<u>YEAR 2</u>									
	<u>Antigua</u>	<u>Bartados</u>	<u>Dominica</u>	<u>Montserrat</u>	<u>Grenada</u>	<u>St. Kitts</u>	<u>St. Lucia</u>	<u>St. Vincent</u>	<u>Others</u>	<u>Summary</u>
CD	\$29,160	\$29,160	\$17,010	\$17,010	-	\$29,160	\$29,160	\$29,160	-	\$179,620
MT	\$ 3,645	-	\$ 3,645	\$ 3,645	-	\$ 7,290	\$ 3,645	\$ 3,645	-	\$ 25,515
IEA	\$14,580	-	\$18,225	\$ 7,290	-	\$18,225	\$18,225	\$18,225	-	\$ 94,770
Sub Total	\$47,385	\$29,160	\$38,860	\$27,945	-	\$54,675	\$51,030	\$51,030	-	\$300,105
Travel										\$186,695
TOTAL										\$487,000

<u>Professional Services and Travel</u>										
<u>Activity</u>	<u>YEAR 3</u>									
	<u>Antigua</u>	<u>Bartados</u>	<u>Dominica</u>	<u>Montserrat</u>	<u>Grenada</u>	<u>St. Kitts</u>	<u>St. Lucia</u>	<u>St. Vincent</u>	<u>Others</u>	<u>Summary</u>
CD	\$31,440	\$16,340	\$18,340	-	\$31,440	\$31,440	\$31,440	\$31,440	-	\$193,680
MT	\$ 3,930	-	\$ 3,930	-	\$ 3,930	\$ 3,930	\$ 7,860	\$ 3,930	-	\$ 27,510
IEA	\$ 7,860	-	\$15,720	-	\$15,720	\$15,720	\$15,720	\$11,790	\$19,650	\$102,180
Sub Total	\$43,230	\$16,340	\$37,990	-	\$51,090	\$51,090	\$55,020	\$47,160	\$19,650	\$323,570
Travel										\$189,430
TOTAL										\$513,000

96.8

Table 7 (Contd.)

YEAR 4

Professional Services and Travel

<u>Activity</u>	<u>Antigua</u>	<u>Barbados</u>	<u>Dominica</u>	<u>Montserrat</u>	<u>Grenada</u>	<u>St. Kitts</u>	<u>St. Lucia</u>	<u>St. Vincent</u>	<u>Others</u>	<u>Summary</u>
DD	\$19,810	\$19,810	\$19,810	\$19,810	\$33,960	\$33,960	\$33,960	\$33,960	-	\$215,080
MT	\$ 4,245	-	\$ 4,245	\$ 4,245	\$ 4,245	\$ 4,245	\$ 8,490	\$ 4,245	-	\$ 33,960
IEA	\$ -	-	\$ -	\$ 8,490	\$ 8,490	-	-	\$ 2,830	\$14,150	\$ 33,960
Sub Total	\$24,055	\$19,810	\$24,055	\$32,545	\$46,695	\$38,205	\$42,450	\$41,035	\$14,150	\$283,000
Travel										\$123,000
TOTAL										\$406,000

*Others include the Cayman Islands, Belize, and the British Virgin Islands.

Note: Travel costs outside of Barbados have been estimated at US\$70 - US\$100 a day, inflated at an eight percent annual rate. Costs include both air travel and per diem. Travel costs inside Barbados have been estimated at US\$20 per day, similarly inflated. With the amount of travel, diverse scheduling, and partial program overlap, it is extremely difficult to calculate travel costs with precision. The daily travel allowance is low, but some of the person-days of planning and preparation will be done in Barbados and involve no travel.

2/2/80

BIMAP organization development (OD) interventions are undertaken by contract between BIMAP and the particular firm for a period to be mutually agreed upon. In order to alert private sector organizations to the availability of BIMAP assistance, recruit participating companies, and secure commitment, BIMAP will conduct OD seminars for interested private sector entrepreneurs and top managers in each of the island countries. In some cases, more than one such session may be necessary because of the number and diversity of enterprises.

Each OD intervention involves the following activities:

- + Preliminary diagnosis of the enterprise by a BIMAP specialist. This process will provide the data base from which changes in performance brought about by OD activities can be measured (See data base questionnaire in Annex E.)
- + Determination of objectives and specifications of performance measurements.
- + Identification of performance problems, impeding and impelling forces.
- + Determination of strategies and action programs to achieve improved performance.

Firms selected for organization development assistance may be any type of legitimate private enterprise or parastatal institution providing essential services needed by the private sector, but in general, preference will be given to those that meet the following criteria:

- (i) The organization is locally or regionally owned;
- (ii) The organization is engaged in productive activity, whether the product be goods or services;
- (iii) The organization is one which is important to the economy of the country in terms of employment generation, earning of foreign exchange, development of tourism, provision of utility service such as electric power or water, technological modernization, infrastructure creation, or provision of credit or other essential financial service;

- (iv) The organization employs fifty or more people;
- (v) Top management of the organization is strongly supportive of BIMAP assistance and agrees to participate actively in the work undertaken.

Special attention will be given to organizations owned or managed by women where these exist and to firms referred to BIMAP through the Caribbean Financial Services Corporation Project or other private sector organizations receiving assistance from AID directly. In addition, enclave industries are by no means excluded, even if part of large multinational enterprises. In many cases, such organizations have their own training facilities and management development programs, however; when they encounter supervisory and attitudinal problems arising out of the special characteristics of the West Indian work force, BIMAP may be able to provide valuable assistance. As stated earlier, this assistance will be based on the ability of the private enterprises to pay for the services; multinationals will pay full-costs.

Obviously, all problems are not training problems or resolvable by training. Some are technical, some are organizational and procedural, others are financial. Many will arise from inadequate or poor marketing efforts. Capital shortages are likely to be key issues. Technical and productivity problems, including those of poor product design, can be addressed through BIMAP's ability, under the project, to bring specialists from the United States. Marketing assistance can also be obtained in this manner. It is hoped that lending institutions will be more willing to provide needed financing to enterprises whose management, training, and technical needs are being carefully addressed through the BIMAP program. A few examples of success should help greatly.

The OD type of training and consulting activities are relatively new to the Caribbean region. Management styles that tend to be authoritarian and fearful of delegation and sharing of decision-making and responsibility are widely apparent. Such styles are not to be changed overnight or turned around by one OD intervention. Considerable pragmatism will have to be employed to bring about gradual adjustment to new management concepts. Nevertheless, in the course of project development, enterprise managers repeatedly expressed the need for the type of in-house diagnostic and consulting/training program that OD involves, especially when carried out sensitively and intelligently. Courses, seminars, and workshops not related to the specific needs of individual enterprises have little appeal to private sector managers in the Eastern Caribbean.

(b) Management Training Courses

As with organization development activities, the design and conduct of management training courses will be driven by the expressed needs of clients in each island and not by abstract concepts of what people ought to be taught. The courses will be tailored on a firm by firm basis. Tables 6 & 7 indicate the schedules and person-day costs of management training courses over the life of the project. Some of the courses will be the executive development type, but a great many will be conducted in specific organizations and be directed to their determined internal needs. Some courses will be for supervisory personnel, others for financial and accounting people. There is a marked need for courses in marketing throughout the Caribbean region, and this problem will be addressed. In other words, a running needs analysis will be a constant concern of the BIMAP professional staff.

(c) Intermediate Enterprise Assistance

Under the RDT II project, BIMAP will provide training and consulting assistance to these intermediate enterprises by working with groups of them in the various countries. Much of the assistance will be directed to helping the enterprises get their finances in order, set up suitable accounting systems, and get a better understanding of the requirements of viability. The great majority of private enterprises throughout the Caribbean states are organizations of from ten to fifty employees. These are obviously small businesses by any standards, but are nevertheless to be distinguished from microbusiness of from 2 to 5 or 6 people, for which a number of assistance programs are available, particularly from private voluntary organizations. Most cannot afford to pay for much assistance, and training for the entrepreneurs and their employees must be subsidized; therefore, the intermediate enterprises currently have almost nowhere to turn for help except to BIMAP. Many of the entrepreneurs need help in marketing, and some training and consulting activities will be organized around this theme. Tables 6 & 7 indicate the person days and costs of BIMAP's program for intermediate enterprises over the life of the project, and the schedule of locations. Fees will be charged, accordingly to the ability of the firm to pay.

The intermediate enterprises are normally too small for organization development interventions, and it is for this reason that a group approach is to be used in working with them. During project development, discussion with Small Business Association members and other intermediate size enterprise owners brought out not only a real need for assistance but a willingness to work together under BIMAP leadership and guidance to solve common management and financial problems.

2. Technology, Productivity, and Management Assistance

In order to provide business enterprises with needed technology, productivity and management assistance, BIMAP will select as brokers one or more U.S. organizations which can identify and contract specialists in accordance with appropriate AID regulations. The specific technology, productivity, or management needs will be identified through organization development interventions or through work with groups of intermediate size businesses. Organizations which may be able to assist BIMAP in identification and selection of technology or productivity specialists include the National Productivity Center in Houston, World Trade Center in New York, and a variety of management consultant firms. The International Executive Service Corps may also be drawn up on for assistance. In many instances, local enterprise managers know of U.S. institutions or firms from which help is to be sought, but they lack both contacts or resources to bring in a consultant. BIMAP professional staff need a broadly-based knowledge of U.S. technology and productivity sources, as well, for they will be working with a variety of business and manufacturing organizations. If BIMAP is to become a center of knowledge in the region on U.S. technology and productivity resources, its access must be broadly based and well-connected with the U.S. organizations.

To facilitate the identification of appropriate contacts in the U.S. the Executive Trustee will visit the various organizations to explore the options. A major advantage to BIMAP will result from the development of a familiarity with the variety of resources available from the United States and a knowledge of whom to turn to for what. Upon his return from the visit BIMAP will submit to AID the name(s) of broker(s) to be used in identifying and contracting consultants and/or firms. Obviously, most of the technology and productivity consultancies cannot be scheduled or programmed in advance of beginning work with specific enterprises or organizations. The needs will emerge as the OD and intermediate enterprise assistance programs get underway. Exploration of potential sources of design, technology, and productivity assistance should be undertaken as soon as the project is authorized. To the extent possible, client fees will be charged.

An important element to be funded out of this category will directly relate to the on-going evaluation of effectiveness of BIMAP's organization development, management training, and intermediate enterprise assistance methodologies. An organization will be hired to measure the effectiveness of the methodologies employed, and in particular the cost-effectiveness of organization

development interventions. This applied research can be of great use to BIMAP in costing out future operations of this nature and to AID in planning future training projects or in designing the training components of any project for which the methodology might be appropriate. Also in view of the constantly recurring theme of management weaknesses or deficiencies in the Eastern Caribbean, it would be extremely useful to AID and to organizations engaged in management education and training to understand the behavioral patterns and role characteristics of successful managers in the island nations of the region. This information can easily be developed during the processes of OD and intermediate enterprise assistance, provided a suitable procedure is utilized in obtaining it. Consequently, in addition to the normal monitoring and evaluation processes, special monitoring of project effectiveness will be undertaken.

3. Identification of Private Enterprise Participant Trainees.

BIMAP will identify participants for short-term training through its OD and intermediate enterprise assistance programs; however for the first two years of the project, the management, administration and processing of these participants will be handled under the contract which includes public sector programming. The USAID Bridgetown Office will take over the responsibility of processing or incorporate the processing of applicants into another training project during the final two years of this private sector component.

Participants selected for private enterprise training will meet the following criteria:

- (a) Be employed by an organization assisted by BIMAP;
- (b) A determination has been made by BIMAP and the employer that training is needed by the individual for the more effective performance of the position held or for a position to which the individual is to be promoted;
- (c) An appropriate form of training is available, either in a course, a workshop, an attachment, or planned observation and familiarization experience;
- (d) Employer agrees to continue salary of participant while in training;

- (e) Employer agrees that future compensation of the employee will reflect the value added to job performance by the knowledge of skills acquired through training.

BIMAP will consider for selection individuals recommended to it by other AID-assisted programs, but in each case BIMAP will make the determinations required in (b) through (e) by a brief analysis of organization needs with respect to the training requested and charge its usual fee for such service which is to be paid by the enterprise involved.

Short-term participant training costs for industry staff person months and number of trainees are estimated as follows:

	<u>Person Months</u>	<u>Trainees</u>	<u>Costs</u>
Year I	50	25	\$177,000
Year II	50	25	\$192,000
Year III	50	25	\$207,000
Year IV	<u>50</u>	<u>25</u>	<u>\$224,000</u>
TOTAL	<u>200</u>	<u>100</u>	<u>\$800,000</u>

The number of trainees has been estimated using two person months per short-term grant and by compounding an 8% inflation factor each year to the \$3,500 per month cost per training.

4. BIMAP Institution-Building Activities.

a) Staff Training

Long and short-term training will be provided for BIMAP staff in both the U.S. and Caribbean. At least two long-term trainees will be selected to pursue Masters Programs in business and management, while approximately sixteen persons will be selected for short-term training in such areas as consulting practice, productivity improvement, in-plant training, marketing, general management, information, sciences and small-scale enterprises. Some of the short-term trainees may be sent to institutions in the more advanced Caribbean countries such as Jamaica, Trinidad and Tobago, Barbados, or Puerto Rico. However,

most will be sent to the United States mainland for courses, attachments or workshops. A more detailed schedule and terms of reference for training of the BIMAP staff are included in Annex K.

b) Staff Expansion

A grant to the Barbados Institute of Management and Productivity (BIMAP) will fund the business or private sector training and assistance component of the project, as well as provide institutional development support for the implementing organization. Expansion of BIMAP's training and consulting services to business and manufacturing firms throughout the region, and to such essential public service organizations as water and electric utilities and port authorities whose effective performance is basic to expansion of private sector activity, will require the professional development of the existing staff, employment of additional professionals, consulting and training of specialists, as well as the training of supporting staff. As previously discussed, long and short-term training will be provided for BIMAP staff. In addition, persons for the following staff positions will be recruited and hired:

<u>Title</u>	<u>Division</u>	<u>Number</u>	<u>Basic Function</u>
Program Director	External Training	1	To design, promote, and implement in-company training.
Management Counsellor	Small Business Unit	1	To advise and consult with the management of small-scale enterprises.
Management Counsellor	Consulting/ Research	2	To provide consulting research, and advisory services to client companies and other organizations.
Management Counsellor	External Training	2	To develop and conduct training courses for client companies and other organizations.

Detailed position descriptions for the staff are included in Annex L.

BIMAP expansion will be identified by program and activity increases to which suitable personnel will be assigned. A daily billing rate for professionals engaged in project activities, plus the keeping of time records, will provide the basis for tracking charges to the AID funds. Time spent on selection and assignment of productivity, technology, and management specialists hired under contract will likewise be billed to AID project funds on a person-day basis.

c) Training Materials and Equipment

BIMAP's expansion under the project makes necessary the acquisition of new or additional training materials and equipment. A particular need is for portable video cassette systems with which enterprise operations can be pictured and analysed in conference sessions. Seeing one's own performance on the screen is one of the most effective ways of becoming aware of one's deficiencies and determining how to correct them. Assembly line work, customer relations, supervisory behavior, and other daily activities are important subjects for study and analysis.

An illustrative list of training materials and equipment appears in Table 8. Equipment will be needed to increase the institutional capabilities of BIMAP, and specifically for the simultaneous conduct of programs in different countries. The equipment must be mobile, as much of it will be carried from island to island regardless of where it is housed. Many of the items will be needed immediately after project authorization; therefore, BIMAP will prepare an equipment plan to be submitted to USAID for approval prior to purchase. The plan will indicate not only the use to be made of the equipment and materials, but also what maintenance arrangements will be made to maintain it. If appropriate maintenance is not available locally, BIMAP must be prepared to send items back to the factory for repair or maintenance. All purchases will be made in accordance with standard AID requirements as set-forth in Handbook 13 for Non-U.S. Grantees and Non U.S. Subgrantees, Nonprofit Organizations.

TABLE 8

Proposed List of Training Materials and Equipment

Training Materials

Management Texts for Training Sessions Twenty-eight (28) classes with twenty (20) students per class. One text per student @ \$30.00 = \$16,800 Texts for Offices 300 @ \$30.00 = \$9,000	\$25,800
Training Films and Video Cassettes 40 Sets @ \$1,000 (av) per set	\$40,000
Management Journal Subscriptions Subscriptions to five (5) journals for the four (4) year project period @ \$100 annually per subscription	\$ 2,000
	<u>\$67,800</u>

Video Equipment

Portable Video Cassette Systems Two (2) @ \$5,000; 1 Complete with ENG Camera @ \$15,000	\$25,000
Portable Overhead Projectors Three (3) at \$350.00	\$ 1,100
16 MM Film Projectors Three (3) at \$1,000	\$ 3,000
Portable Screens Three (3) @ \$300	900
	<u>\$30,000</u>

Office Equipment

Photocopier (1)	\$ 6,000
Typewriters Two (2) IBM Selectric or similar @ \$1,250	\$ 2,500

Office Equipment

Word Processing Systems Keyboard, Screen, Disk Drives (@), Letter Quality Printer 3 @ \$5,500	\$16,500
Backup Power Supplies Three (3) @ \$1,200	\$ 3,600

Office Equipment

Portable Microcomputers Three (3) complete with small dot matrix printer and battery pack @ \$2,800	\$ 8,400
Modems Devise to allow data transfer between portable computers in the field and BIMAP. Four (4) @ \$275	\$ 1,100
Word processing & Computer Accessories Software for word processors and computers Flexible disks, Printer ribbons, Cleaning kits Connecting cables, Printer Stands	\$14,100

SUMMARY

Teaching Materials	\$67,800
Video Equipment	\$30,000
Office Equipment & Supplies	\$52,200
TOTAL	\$150,000

5. Implementation Schedule

The following Implementation Plan highlights key project activities during the first year of implementation. Following the obligation of the project, the Project Director will visit each of the countries participating in the project to: 1) obtain a Memorandum of Understanding with the governments which permits training and consultant services, and waives taxes and duties on goods and services; 2) establish an Advisory Committee of at least three persons to serve as a liaison with local enterprises and parastatal organizations; and 3) promote the project as evidenced by an initial list of interested firms and organizations. In addition, a detailed semi-annual implementation plan which forecasts the levels of effort, BIMAP institution-building activities, participating countries, and a list of companies identified for assistance will also be submitted to USAID. A procurement plan for services and goods which includes specific procedures will be submitted to USAID for approval. Staff recruitment and equipment purchases will also be initiated during the last quarter of FY 83.

During the first quarter of FY 84, the Project Director will visit major trade centers in the United States. Following the visit, a list of the names of specific organizations which will serve as brokers in identifying and contracting specialists for assignments in the technology, productivity, and management areas will be submitted to USAID. Organizational development and intermediate enterprise assistance are also scheduled to begin during the first quarter of FY 84.

<u>Events</u>	<u>Date</u>
1. Project Authorized	June, 1983
2. Initial CP's met for first disbursement	August, 1983
3. Visits to participating countries	August/October, 1983
4. Staff Recruitment	August/October, 1983
5. Purchasing of Equipment	August/October, 1983
6. Staff Contract Finalization	October, 1983
7. CP's met for Training Activities	October, 1983
8. Staff Orientation	November, 1983

- | | |
|-----------------------------------|---------------|
| 9. Visit to U.S. Centers | November 1983 |
| 10. Organizational Development | November 1983 |
| 11. Intermediate Enterprise Asst. | November 1983 |
| 12. Management Training | March 1984 |

The charred plan of activities that follows indicates that personnel requirements vary from four to eight during FY 84. Except for Barbados, only minimal activity is scheduled for the period mid-December to mid-March. This period is the peak tourist season, sugar cane harvest and international cricket, football and athletics season. This results in higher hotel rates, difficult airline reservations and non-availability of several business people.

At this point, the development of detailed plans for project years 2, 3, and 4 is not a meaningful exercise since the experience of the previous year would be essential in planning the for the rest of the year.

BIMAP/USAID REGIONAL DEVELOPMENT TRAINING PROJECT IMPLEMENTATION PLAN YEAR 1 OCT 83 - SEP 84

REV. JUN 10/83

	PR	DI	JUL 83	AUG 83	SEP 83	OCT 83	NOV 83	DEC 83	JAN 84	FEB 84	MAR 84	APR 84	MAY 84	JUN 84	JUL 84	AUG 84	SEP 84	
PREPARATION																		
Advisory Committees	25		**	*****	*****	*****												
Memo of Understanding	25		**	*****	*****	*****												
Project Promotion	10		**	*****	*****	*****												
STAFF RECRUITMENT																		
Advertising			****															
Interviews			****	*****														
Contract Finalisation				****	*****													
Orientation				****	*****	****												
BIMAP STAFF TRAINING																		
Long Term						*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
Short Term					*****	*****	*****			*****								*****
EQUIPMENT PURCHASE																		
Video Components	3		**	**														
Portable Computers	2		**	**														
Word Processor	2		**	**														
Software & Accessories	5		**	**														
Photocopier	2		**	**														
Books & Films	10			*****	*****	*****												
ORGANISATIONAL DEVEL																		
St. Kitts	170					*****	*****	****						*****	*****			
Dominica	70								*****	*****								
St. Lucia	170					*****	*****	****								*****	*****	
Antigua	120										*****	*****	*****					
Barbados	170						*****		*****	*****	*****	*****	*****		****	*****	*****	*****
MANAGEMENT TRAINING																		
St. Kitts	30											*****				****		
Dominica	15									*****								
St. Lucia	30													*****				*****
Antigua	15												*****					
INT ENTERPRISE ASSIST																		
St. Kitts	75					*****	*****	****	*****	**								
Dominica	75									*****	*****						*****	*****
St. Lucia	75					*****	*****	****	*****	**								
Antigua	75											*****	*****	*****	*****	*****	*****	*****

** = 5 Person days (MT, IEA, OD Bdos)

** = 10 Person Days (OD)

Time allocated @ 20 person days per month

240

6. Reporting Requirements

Quarterly financial and narrative reports will be required. The financial report will include detailed breakdowns of expenditure for each budget line item. The narrative report will provide information on project progress; comments on implementation, problems and/or delays; and training activities to be undertaken during the next quarter. The training activities discussion should include specific details on scheduled or planned OD, MT, and IEA; contracts; and BIMAP staff training.

7. Host Country and Client Participation

There are several types of host country and client participation in the private sector portion of the project. First of all, BIMAP will work closely with linkage institutions in each of the countries of the region, the Chambers of Commerce, Manufacturers Associations, Small Business Associations, Hotel Associations, and development corporations and banks. BIMAP some time ago, identified in a number of the countries in which it was working, a three-person liaison committee to assist in building relationships with local businesses and industries. Such committees, consisting of prominent businessmen and/or manufacturers, will be designated under this project to maintain regular contact with BIMAP headquarters, publicise BIMAP programs and activities, recruit clients for organization development assistance and intermediate enterprise assistance, and steer enterprises in need of assistance to BIMAP for help.

Private sector organizations receiving assistance from AID directly or through other institutions, such as the Caribbean Association of Industry and Commerce, the Caribbean Development Bank, the Project Development Assistance Program, Caribbean Financial Services Corporation, or the International Finance Corporation Program, will be encouraged to make use of BIMAP services and capabilities to achieve better management, solve technology and productivity problems, and build more viable and creditworthy enterprises.

Whenever the assisted client institutions or enterprises are in position to do so, they will be required to pay for BIMAP services at the established BIMAP rates for consulting services and training. Currently, these rates are: US\$250/day - members; US\$300/day - non-members (regional); and US\$300+/day for non-members (international). These rates are established by the Board of Directors. It is anticipated that in the first year of operation, BIMAP will be able to apply its charges to only a small

portion of its expanded operations, but that in subsequent years the number of clients able and willing to pay for services and training will increase.

Participants selected for training under the BIMAP portion of RDT II will be persons already employed in business enterprises or parastatal organizations. Employers will be expected to pay full salary to such participants while in training. It is anticipated that BIMAP will set up offices in one or two countries other than Barbados, whereby the respective governments of business organizations will be asked to provide quarters, furnishings, and other facilities. Headquarter facilities are already provided by the Barbados government.

8. BIMAP Branch Offices

BIMAP has under consideration the possibility of establishing two branch offices, thereby reducing both travel and per diem costs. The logical location for the permanent presence in the Leewards is St. Kitts-Nevis, not only because of the number and activity level of business enterprises there, but also by reason of the strong support to be obtained from the Chamber of Commerce and Industry, an active organization with a well trained, full-time executive director.

It is anticipated that personnel stationed in St. Kitts-Nevis would handle much of the OD and training activities not only in that country but also in Antigua, Montserrat, and the British Virgin Islands. Travel costs among these islands are very low in comparison with those of trips made from Barbados to the Leewards and return. Reference to the Activity Schedule (Table 6) will show that 1 and 3/4 person years are programmed for the Leeward Islands in the first year and nearly 2 and 1/2 person years in the second year. Any additional activities, such as non-AID-related courses, could easily push this to three person years.

A second branch office may be established in St. Lucia. This cannot be justified on the grounds of savings in transportation costs, for service could be provided from Barbados to the Windward Islands. The justification for a St. Lucia office stems from an intense interest in the business and manufacturing community there for a continuous BIMAP presence to which enterprise owners and managers may have daily access. This point was made very clear during project development by representatives of the Small Business Association, the Manufacturers Association, the Employers

Association, and the Chamber of Commerce. The size and dynamism of the private sector in St. Lucia would seem to provide further justification. BIMAP may become very busy in St. Lucia. Over 1 and 1/2 person years of activity are scheduled there for the first year on the basis of interest expressed by private sector organizations.

The approach by BIMAP to setting up branch offices is certain to be cautious, for the BIMAP leadership is very much aware of the need to conduct its activities at better than a break-even point. Prior to any branch office decision, the following points would be taken into consideration: the support structure of linking organizations such as the Chamber of Commerce or Chamber of Industries; the recommendation of its country advisory committee; established demand for services that provides full-time work for personnel to be assigned to the office; and the views of the AID Regional Development Office.

B. PUBLIC AND PRIVATE SECTOR PARTICIPANT TRAINING

1. Public and Private Sector Training

a) Training Grants

Both long and short-term grants will be available to ten Caribbean countries for training in the United States and/or the Caribbean. Long-term is training preferably at the graduate master's level due to the number of undergraduate scholarships being offered under a variety of other centrally-funded training projects, as well as the Canadian and British programs.

Based on past experience of the RDT I Project, the more advanced countries, such as Barbados, tend to present more candidates for long-term training and the IDCs most frequently opt for short-term training, reflecting in part a difference in perceived need and also the limited number of candidates for long-term training in the IDCs as such training is predominantly at the graduate level and fewer qualify for admission. The mix of long and short-term participants will vary depending on the maximum amount allotted per country and the priorities of each country. Grants will be offered to participants from the public and private sectors, including parastatals.

For budgetary and project planning purposes, equal amounts of \$725,000 have been programmed over a two year period. Amounts to be allocated to each of the ten countries have been based on 1) a minimum of US\$50,000 over the two-year period for the smaller islands of Montserrat, British Virgin Islands, Cayman Islands, and Anguilla; 2) \$175,000 for Barbados; 3) \$135,000 each for Antigua and Barbuda, St. Kitts/Nevis, Dominica, St. Lucia, and St. Vincent, 4) a US\$200,000 private sector amount and 5) \$200,000 Institutional Support Fund.

TABLE 9

PROJECTION OF EXPENDITURES FOR PUBLIC/PRIVATE SECTOR PARTICIPANT
TRAINING BY COUNTRY AND YEAR

<u>Countries</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Total</u>
I. Public Sector			
Anguilla	\$ 25,000	\$ 25,000	\$ 50,000
Montserrat	\$ 25,000	\$ 25,000	\$ 50,000
Cayman Islands	\$ 25,000	\$ 25,000	\$ 50,000
British Virgin Islands	\$ 25,000	\$ 25,000	\$ 50,000
Barbados	\$ 87,500	\$ 87,500	\$175,000
Sub-total	\$212,500	\$212,500	\$425,000
Antigua/Barbuda	\$ 67,500	\$ 67,500	\$135,000
Dominica	\$ 67,500	\$ 67,500	\$135,000
St. Kitts/Nevis	\$ 67,500	\$ 67,500	\$135,000
St. Lucia	\$ 67,500	\$ 67,500	\$135,000
St. Vincent	\$ 67,500	\$ 67,500	\$135,000
Sub-total	\$337,500	\$337,500	\$675,000
II. Private Sector	\$100,000	\$100,000	\$200,000
III. Institutional Support	\$100,000	\$100,000	\$200,000
TOTAL	\$725,000	\$725,000	\$1,450,000

These figures are illustrative for budgeting purposes and represent maximums, assuming that all countries nominate enough candidates to exhaust the allocation. In order to determine the numbers and mix of grants long-term are estimated at a cost of \$21,000/yr and short-term at \$3,500/month. Countries will, however, be encouraged to submit additional applications in the event that some countries do not meet deadlines for submissions or choose not to participate. Funds that are not expended for the aforementioned reasons can be utilized by the other countries.

b) Institutional Support

An Institutional Support fund of US\$200,000 will be reserved for providing grants to regional institutions for training personnel. Requests for these training grants will be submitted to USAID where an in-house selection committee composed of the USAID Director and Technical Officers will review and award grants based on:

1. The justification for the training.
2. Employment status prior to training and position to be held upon completion of training.
3. Compensation to be paid to the candidate for a higher level position or step-increase for upgrading.
4. The training to be received is specifically related to the work which the person is performing and is expected to increase the capability of the individual and prepare the candidate for a higher level position.
5. The institution agrees to pay salary and transportation costs for long-term candidates to and from the place of training.

Final approval for all candidates will be made by RDO/C and referred to the contractor for processing and placement.

Upon the award of the overall participant training contract, regional institutions will be apprised of this opportunity. Approximately US\$100,000 will be awarded each year. Short-term training will be given preference due to budget limitations and the need to maximize opportunities to a variety of institutions.

c) Private Sector

Short-term training opportunities will be available to private sector individuals nominated by private enterprises and selected by a committee coordinated by the Chamber of Commerce and Industry in each country. An amount of \$200,000 will be set aside for this purpose which will provide approximately 57 person months or 4.7 person years of training over a two-year period in such areas as marketing, advertising, sales, trade, accounting, management, administration, production, and quality control. Approximately \$10,000 per year/per country will be programmed. Participants in the BIMAP component of the project will receive training under the Private Enterprise Participant Training activities and will not be eligible to receive training under this aspect of the project.

d) Public Candidate Selection Process

Each country has a training officer, whose task it is to receive and screen applicants from the various ministries, departments, and public sector organizations, relate the applications to established training priorities where they exist, and seek from donor organizations support for selected candidates. To assist in the selection process, committees will be set up in each country where they do not presently exist.

Private sector candidates will be nominated by private enterprises to a three person private sector committee to be coordinated by the Chambers of Commerce and Industry in collaboration with Small Business Association, CAIC, and other business-related organizations. The Mission's HRDO will be instrumental in coordinating the committee and USAID responsibilities. As a result, the HRDO will have to regularly travel to the islands and assist islands in establishing committees where they are currently non-existent. To the extent possible the Barbados model for selection described below will be adapted to all participating countries:

1. PUBLIC SECTOR

- a. Each Ministry is requested to submit a priority list which, in descending order of importance/relevance of training, categorizes training requests as related to national development programs and projects (Priority A), organizational/staffing needs within ministries (Priority B) or need to upgrade a particular person to be more effective on the job (Priority C) and provides a rationale for each choice;
- b. These lists are then screened by the Government Training Officer and comments/recommendations are prepared for a meeting -- held approximately once a month -- of the Selection Committee. The Committee then makes final decisions.
- c. The Committee is composed of the Head of the Civil Service, the Chief of the Establishment Division who advises on available posts and qualifications required for posts, the Chief of Personnel who sets appointments of positions, the Permanent

Secretary of Planning who knows the manpower requirements of present and planned projects, the Permanent Secretary of Finance who advises on anticipated budget levels and The Principal Training Officer.

2. PRIVATE SECTOR

- a. The Chambers of Commerce and Industry in each country will receive nominations for short-term training grants from private sector firms, associations, or organizations that are not participating in the BIMAP component.
- b. The requests will be screened by a Committee coordinated by the Chambers of Commerce and Industry and at least three other people from the private sector.
- c. A final list of those nominated will be forwarded to the KDC/C Selection Review Committee.
- d. Both BIMAP and the Chambers of Commerce and Industry will advise the Ministry of External Affairs and appropriate in country officials of the nominees.

In making its recommendations to AID for participant grants, both selection committees shall observe the following criteria:

- (1) The individual shall be employed in the government service in a position which that government considers vital to the development of the country and so certifies, and shall have at least two years of relevant work experience or the person shall be employed in the private sector and nominated under the aforementioned terms and conditions;
- (2) The training to be received is specifically related to the work which the individual does and is expected to improve the quality of that work or to prepare the candidate for a higher level position for which he will be eligible;

- (3) The compensation to be paid the candidate upon completion of highly technical training will be appropriate to the value of the work in the market place;*
- (4) Full salary will be paid the applicant during his/her period of training;
- (5) The government agrees to pay the transportation costs of long term training candidates to and from the place of training.
- (6) The long-term applicants will be placed under bond to serve the government for at least double the period of training.

Training grants will be offered to those qualified individuals in the following or related sectors: agriculture, education, health, nutrition, energy, environment, public administration, business administration, government services, economic development, information systems, public utilities, technology, management, marketing, accounting, port administration, and finance/planning.

Recommendations of the selection committee will be sent to the RDO/C selection committee for final approval. Rejection of the recommendations will necessitate a letter of explanation being sent to the government concerned.

There is little point in training an electrical engineer for a government utility if the salary to be paid upon possession of the engineering degree is not reflective of the value of the degree in the market place. The individual so trained is quick to find employ elsewhere as soon as the bonding period is over.

2. Private Enterprise Training

Private Enterprise Trainees will be identified by BIMAP as detailed in Part A of the Implementation Plan. The administration, processing, and placement of the trainees will be handled under the participant training contract.

3. Participant Training Contract

a) Contract Terms of Reference

The Mission will negotiate and execute a direct AID contract utilizing standard contracting procedures.

The terms of reference of the contract to be included in the PIO/T will set forth the tasks to be performed by the organization:

- 1) liaising with the training officers and country selection committees to insure adherence to the selection criteria for participant trainees for public sector training and with BIMAP for private enterprise training, and
- 2) coordinating with USAID selection committee for public and private sector candidate reviews,
- 3) receiving full documentation for each nominee,
- 4) reviewing nominees and identifying the appropriate training institution or enterprise,
- 5) processing all forms, advances, notifications, and travel documents
- 6) placing and following-up participants
- 7) completing USAID financial and reporting requirements; and
- 8) adhering to USAID rules and regulations.

The level of effort in terms of the objectives of targets to be accomplished will include the management, administration, and programming of 17 person years or approximately 200 private enterprise trainees, 5.7 person years of private sector short-term, 15 person years public sector short-term, and 30 person years of long-term public/parastatal training. In addition, the contractor will establish a local office with locally hired staff and perform said tasks for a two-year period.

Characteristics of the organization chosen to administer and manage the participant training component will include a track-record of experience in working with a full-range of processing, placing, providing support and follow-up services for, academic degree and non-degree training; short-term technical, and non-technical training; and short attachments to industries, institutions, and parastatals. The organization should also have the capacity to service an overseas office and preferably have experience in the English-speaking Caribbean region.

b) Contracting Procedures and Tentative Timeframe

Selection of a contractor for the required technical services will be in accordance with AID regulations and with the assistance of the USAID Regional Contracts Officer in Haiti. The detailed statement of work and services to be performed will be prepared by the HRD Officer in close coordination with the RDO/C legal, technical, and development resources officers. A PIO/T will be finalized by the HRD Office; and in collaboration with the Regional Contracts Officer, solicitation of potential contractors will be accomplished by publishing a notice for Requests for Technical Proposals (RFTP) in the Commerce Business Daily. Upon receipt of the technical proposals, a Mission technical evaluation committee will qualitatively review and rank each of the proposals. A cost proposal will be requested from the offeror submitting the highest ranked technical proposal and negotiations will commence, taking into consideration both the technical and cost proposals. A contract will be awarded based on the recommendations of the committee and successful negotiations.

An estimated timeframe for the contract proceedings is:

<u>Action</u>	<u>Dates</u>
1. Project Authorized	June 29, 1983
2. Contract Specifications/Scope of Work	August, 1983
3. PIO/T Completed	Mid-August, 1983
4. RFTP Advertised/Resolve set aside questions (70 days)	Mid-August, 1983
5. Obtain Technical Proposals (30 days)	Late October, 1983
6. Evaluation Results (15 days)	November, 1983
7. Obtain Cost Proposals (45 days)	December, 1983
8. Obtain Pre-award Audit Reviews, as required (20 days)	January, 1984
9. Complete Negotiations (5 days)	January, 1984
10. Obtain CC clearance (10 days)	January, 1984
11. Execute Contract	February 1984

c) Illustrative Budget

Table 10

ILLUSTRATIVE BUDGET FOR PUBLIC/PRIVATE SECTOR PARTICIPANT TRAINING CONTRACT

<u>PERSONNEL COSTS</u>	<u>FY 84</u>	<u>FY 85</u>	<u>TOTAL</u>
Manager (Salary/Benefits)	30,000	30,000	60,000
Admin. Assistant/Secretary	10,500	11,500	22,000
Accountant	<u>14,000</u>	<u>16,000</u>	<u>30,000</u>
Sub-Total	54,500	57,500	112,000
<u>BENEFITS</u>			
Fringe Benefits @ 10%	<u>5,450</u>	<u>5,750</u>	<u>11,200</u>
<u>LOCAL TRAVEL</u>			
Manager	10,000	10,000	20,000
<u>EQUIPMENT/COMMODITIES</u>			
Office Equipment	8,300		8,300
<u>OFFICE EXPENSES</u>			
Rent/Utilities (\$1,200/Mo)	14,000	15,500	29,500
<u>SUPPLIES</u>			
	4,500	4,500	9,000
<u>COMMUNICATIONS</u>			
	<u>15,000</u>	<u>15,000</u>	<u>30,000</u>
Sub-Total	111,750	108,250	70,800
			<u>TOTAL \$220,000</u>

VI. MONITORING PLAN

A. RDO/C MONITORING RESPONSIBILITIES

The Mission's Human Resource Development Officer (HRDO) will have overall management responsibilities of the project. Working in conjunction with the Mission Training, Private Sector, Controller, Regional Legal Advisor, Contracts officers and Mission management, the HRDO will 1) monitor, 2) be in close communication with the institutions administering the project 3) participate in the participant training contracting procedures, assure compliance with the grant agreement, participate in the evaluations, and report to Mission management on an ongoing basis. In addition, the HRDO will review and certify all project vouchers; organize and participate in the USAID selection committee for individual public/private sector training grants; maintain accurate records of participant selection; review quarterly financial and narrative reports, as well as other project documents; visit BIMAP training sessions to assure the project is being implemented as mutually agreed upon; and arrange regular meetings with the organization selected for the participant training.

In addition to quarterly progress reports which will provide detailed financial and implementation information, BIMAP will provide details on the next quarter's level of effort, countries to be included, company names, U.S. specialists contracted for technical assistance, and planned staff training. The contractor selected to manage the participant training component will provide a status summary to include details on countries, names of participants, proposed areas of study, proposed institutions and any other relevant information in the quarterly reports.

B. BIMAP MONITORING

Because of the unusual opportunities provided by the Regional Development Training II project for appraisal of the effectiveness of training methodologies to be utilized in addressing the technical and managerial problems of the private sector, special monitoring arrangements are provided. The Barbados Institute of Management and Productivity will establish base-line data for all enterprises or organizations for which organization development interventions are undertaken, as well as for intermediate

enterprises assisted. The nature of base-line data to be collected was determined during the project development stage by DIMAP and the project team (See Annex E). In addition, studies will be made throughout the life of the project to determine what changes have occurred away from the base-line within each assisted organization.

As a result of the before-and-after type of data collected and analysed, the following benefits should be derived:

1. Productivity increases or decreases within assisted firms will be known and the reasons for such changes analysed;
2. The effectiveness of organization development as a training methodology will be determined;
3. A running needs analysis will be available for future planning;
4. The cost-benefit of training efforts can be determined and the cost-effectiveness of different methods more precisely measured.

These are all benefits of significant value to the AID RDO/C in program planning and evaluation. They will be of help to DIMAP in planning its programs for the future so as to shift emphasis to those types of activities that have the highest pay-offs for the enterprises assisted and which are financially self-sustainable. Industries will also be able better to measure the value of training and consulting to their on-going operations and thus justify the fees they are asked to pay for such services.

A very elusive concept in the general field of management education and training is the nature of managerial work -- the work of successful managers in particular. If this were better understood, training programs could better be designed to prepare present and future managers for satisfactory performance. A unique aspect of the RDT II project is the opportunity it provides to determine the behavior and role characteristics of successful executives in the Caribbean cultural context, using a variation on the Mintzberg model*. Determination of what makes for success would

* The Mintzberg model was developed by Henry Mintzberg through the study of behavior patterns of successful executives in the U.S. and is explained in his book, The Nature of Managerial Work (New York: Harper and Row, 1973).

be of great value in all management and executive training programs, public and private. Design of future training programs would be vastly assisted by such knowledge, even if only partially determined. Of course managers themselves in both industry and government would love to have a more empirically based understanding of what aspects of their behavior make for success and what produce failure.

Great stress is frequently placed on securing needs analyses as a basis for project design. There is little value to quantification of management shortages, however, if the role structure and behavior of successful managers remains obscure. This project can go a considerable distance toward providing important answers to this question that is so fundamental to any needs analysis.

It should be noted that the applied research opportunities offered by RDT II are directly relevant to the on-going research program of AID/W's Multi-sectoral Development Division of the Office of Science and Technology. BIMAP may elect to use project funds under the Technology and Productivity Contract budget line item to enable that office to carry out a monitoring review of project impact and methodological components on a continuing basis.

Continuous monitoring of the project within the AID Mission will be the initial responsibility of the Human Resource Development Office. That office will be closely involved in the selection of public sector participants and will also provide general oversight of the entire participant training activity, public and private. Close coordination with the Private Sector Development Officer is essential given the strong private sector component of the project.

C. MONITORING OF PARTICIPANT TRAINING

In order to assist the HRDO in carrying out the monitoring and USAID approval of candidates for public, parastatal, and private sector participant training, an internal Mission selection committee will be established consisting of Mission Management, Human Resource Development Officer, and appropriate technical officers. This committee will also be responsible for USAID concurrence with BIMAP in order for selected parastatals to participate in the BIMAP component of the project.

The HRDO will assist in the establishment of selection committees in countries which were not included in RDT I, will travel regularly to the islands to coordinate the selection process, and will collaborate closely with the organization contracted to manage the participant training component.

VII. SUMMARIES OF PROJECT ANALYSES

A. ECONOMIC ANALYSIS

The primary goal of this project is to increase economic productivity in both the private and public sectors in the English-speaking Eastern Caribbean. Increased productivity in the private and public sectors, in turn, will promote employment and output increases and generate additional foreign exchange earnings. To enhance the productivity of the region's private sector, funds will be provided to BIMAP. BIMAP will use the funds for consultancy services to private concerns. In providing the consultancy services, BIMAP will work with private business firms on organizational matters in order to make recommendations for improvement and to identify the candidates for training. Most of the participant training will be short-term (under six months) with the participant training focused primarily on management and skilled personnel in the private sector. The assistance provided to governments, parastatals and private firms under this project will be in the form of individual training grants both short-term and long-term.

For the private sector component, costs primarily include: the consultancies associated with the business interventions, the training furnished to intermediate size business concerns, and any output lost by the firm through sending individuals for training. A proxy for the lost output is the individual's wage rate. Costs incurred in the public and private sector participant training component include travel expenses for short-term trainees and fees paid by participants for training, and overall contract management.

Normally, in an economic analysis a cost-benefit analysis is also included in which incremental costs and benefits are measured and an internal rate of return calculated. In the case of this project, while incremental costs can be estimated, incremental benefits cannot be specified with any degree of accuracy because of difficulties in calculating the productivity gains induced by the project. Hence, in the cost-benefit analysis, costs are specified. Based on these costs, the incremental benefits required to yield a real internal rate of return of 15 percent, are computed. Project economic viability has been assessed on the basis of the "reasonableness" of these required incremental benefits.

B. SOCIAL SOUNDNESS ANALYSIS

The Regional Development Training Project II is designed to relate training, whether technical or managerial, to the specific needs of organizations after those needs have been carefully diagnosed in the work place by specialists skilled in organization development work and intimately acquainted with the West Indian social and cultural milieu. Much of the training will be conducted in the work place. Consultation will be a regular training method, whereas classroom training of a general nature unrelated to identified organization needs will be minimized. Group training and workshops will be used for intermediate size enterprises too small for organization development approaches but having identified common problems. In the selection, of public and private sector training participants, greater attention will be paid to the organizational role of the trainee and the impact training is likely to have on organization performance. Thus the entire training project has been designed for maximum compatibility with the social and cultural environment and the closest possible identification of training activities with specific institutional or organization needs to be met. Short courses and attachments of both private and public sector participants, as well as long-term training where appropriate, will be directed toward increasing organizational performance as well as increasing individual knowledge and raising the level of personal skills.

Direct beneficiaries of the project will include BIMAP entrepreneurs/employers and employees who receive technical assistance and/or individual training grants. However, the real social impact of the project will be its indirect benefits to those in each country who find themselves with greater economic opportunity as a result of expanded enterprises, improved public services, and new investments in business and industry brought about by a more favorable human resource climate in which management is more effective, technicians more skilled, and the work force is more productive. The project enjoys broad governmental and private sector support and no institutional opposition.

C. INSTITUTIONAL ANALYSIS

BIMAP is both a competently led and managed organization and enjoys a reputation for effective training activities both in Barbados and in the other countries of the Eastern Caribbean to which it has extended its services. There is no doubt that BIMAP will be welcome in the other countries among

private sector enterprises as a provider of training and consulting services. The welcome will be enhanced if BIMAP is successful in expanding its staff of professional trainers and consultants to include personnel from other Caribbean countries. The Executive Trustee is currently considering applications from a number of persons who appear highly qualified. Of the five applicants, three are non-Bahadians. It is not necessary or even always desirable that personnel assigned to a particular country be a citizen of that country, but it is essential that the staff be internationalized to some degree and that residents of the island countries served, if adequately trained and experienced, have an opportunity to work for the organization.

Upon completion of the project, it is anticipated that BIMAP will continue to provide those services financed by the project at a level commensurate with Year IV activities. This level would be dependent and to a large degree determined by the ability and willingness of private firms to pay full client fees for the services. Business enterprises in a number of the countries would prefer to see a permanent and continuous BIMAP presence through the establishment of branch offices in which courses could be conducted and to which managers would have easy access for consulting assistance and discussion of problems. While the establishing of one or two such offices would be favourable, the decision to take such a step should be made by the Executive Trustee and his staff after the initial experience with consulting and training activities under the project. The creation and maintenance of branch offices is not a sine qua non of project success. Rather it is an aspect of institutional development that may come as a logical step based on ascertained need and careful estimation of feasibility and financial soundness. Some experience with operations under the project is essential to such a determination.

D. ADMINISTRATIVE ANALYSIS

The Institutional Analysis includes a lengthy discussion on BIMAP's capacity to carry out the private sector component of the project, therefore, no separate administrative analysis is included in the Annexes. The participant training component will be contracted in accordance with standard AID regulations with an U.S. organization.

E. TECHNICAL ANALYSIS

The lack of adequately prepared managers and technical personnel has long been identified as a key constraint to the development of both the public and private sectors of the Eastern Caribbean countries. Not only has this lack been mentioned in the Project Paper of RDT I, but it has been noted by various studies over the years. It was reconfirmed again and again during the development of RDT II by discussions with owners and managers of private enterprises, the directors of utility companies and departments, and government officials. Significant deficiencies are limited natural resources, inadequate credit facilities, high costs associated with small-scale operations, and government policies that, while conducive to development, are so poorly administered that they become counterproductive. A number of AID projects deal with infrastructure deficiencies, credit shortages, and other problems, but for development to occur in the Caribbean countries, real progress must be made quickly in the realization of the human resource potential of the island's populations. This can best be done by training. The focus of this project is on the training of managers and technical personnel in the private sector and administrators in the parastatals and public services of the Caribbean countries.

There is remarkably little in the way of specific quantified information as to what training needs are. An overall manpower needs survey of the islands has never been made. To undertake one would be costly and of transient value if completed, for few of the data would remain valid for long in view of changing job demands and the high turnover encountered in both public and private employment. Substantial investment in needs analysis in the face of known and patently obvious shortages in technical skills and managerial capability would not be cost-beneficial. (See Annex II and I for a general overview of private sector training needs and specific needs identified for selected companies).

The RDT II project seeks to meet not only the need for training of managerial and technical personnel in both private and public sectors, but to deliver a type of training that is directly useful to the institutions in which participants are employed. This means that the typical classroom approach to training on a group basis cannot be relied on exclusively for successfully meeting needs. Therefore, the training methodology to be employed will be more in the direction of practical applied learning. Training is carried into the organizations themselves, and the problems to be solved are the real ones that the organization faces, not theoretical or simulated problems.

Furthermore, the process of problem solving is a group or participative process in which all those affected by the problem or its solution should participate. Even problem diagnosis is a participative and learning exercise. Training in this manner, often referred to as organization development, was also foreseen in the technical analysis of Regional Development Training Project I, although applied to public sector organizations.

F. FINANCIAL ANALYSIS

This non-revenue producing training project has two separate components: (1) participant training to be administered by an U.S. organization and (2) training to be administered by the Barbados Institute of Management and Productivity (BIMAP). The first component is essentially a replication of participant training activities that AID has undertaken many times in the past. The financial soundness of such activities have previously been demonstrated and need not be presented herein. The second component's financial soundness is directly dependent on the financial viability of BIMAP. A detailed financial history of BIMAP was prepared by the consultants helping with the project development and is presented in Annex F.

BIMAP is a financially sound institution with apparently competent financial management and a reasonably prudent choice for the organization to implement the activities that AID wishes to be undertaken.

Table I presents BIMAP's Revenues and Expenditures (income statement) for 1982 and compares them to 1980 and 1981. Over the three year period the excess of revenues over expenses (profit) has increased 174%. This was accomplished by increasing total revenue while at the same time holding total expenses relatively constant, an indication of sound financial management. Although figures for years prior to 1980 are not presented in Table I, it is known that 1982 was the sixth year in a row of operating surplus for BIMAP characterized by a generally steady upward trend skewed only by an extraordinary profit of approximately \$50,000 in 1979.

Table II presents BIMAP's Balance Sheet as of December 31, 1982 and compares this financial position to that of years ending in 1980 and 1981. It shows an organization with 1982 Current Assets equal to a highly conservative 4.7 times Current Liabilities and up from 2.8 times in 1981 and 2.0 times in 1980. Another indication of BIMAP's strong financial position is that Term Deposits more than cover bank debt and that debt is so small (approximately \$10,000) that it could easily be paid off from the General Fund at any time. It is clear that BIMAP is in a relatively healthy financial position at the present time.

Despite the fact that BIMAP appears to be financially sound, there are some risks that should be noted. Total expenses as a percentage of revenue were 88% in 1982. Although this is an improvement over 1981 and 1980 when they were 95% and may be normal for this kind of institution, it means that a 14% increase in expenses or a 12% drop in revenue would have been enough to wipe out the operating surplus of \$57,736 in 1982. This type of income statement leverage indicates the need for continuing careful financial controls within BIMAP.

BIMAP benefits greatly from the receipt of operating facilities with very low or non-existent rent. Since 1973 BIMAP has been using a training center built on land leased from the Barbados Industrial Development Corporation (IDC). During 1981 the IDC finally determined that the primary building belonged to the IDC, and both it and the associated debt for it were removed from BIMAP's balance sheet. BIMAP does not pay a rental fee for the building. During 1982 BIMAP received a grant from the government of Barbados in the form of a \$0.5 million building. This increased their Fixed Assets considerably and since BIMAP owns the building, the need to increase rental expenses, now and in the future, has been further reduced. The Rental Expense line item has traditionally been in the \$2,000/yr range except in 1982 during which period they have agreed to pay the rent on lodging for a consultant who will depart shortly. This departure should reduce the Rental Expense line item back to its historical level. Were they to pay normal rents, the surpluses they have experienced would have been negated or reduced significantly. There is no indication that this free or very low rent situation will change but it does point out that BIMAP would be less viable if it were totally independent.

It is also difficult in this analysis to ascertain the effect on BIMAP of varying amounts and weights of the types of revenue it receives, particularly those from grants and donations some of which carry implied, if not explicit, requirements for the provision of free services to the donor or donor-designated recipients. The addition of \$50,000 in new grants in 1981 and

\$51,000 in 1982 appears to have reduced the ability of BIMAP to earn consulting fees which dropped by over \$60,000 in 1981 and remained steady in 1982, yet the net impact on the operating surplus appears to have been minimal, or at least is not traceable through the figures. It is conceivable that BIMAP's surpluses might have been negatively affected in the years when grants and donations were received. Although this is not ascertainable from the available financial statements, it represents an area of risk to BIMAP that they should understand clearly.

TABLE I
BIMAP
STATEMENT OF REVENUE AND EXPENSES

Year ended 31st December 1982
with comparative figures for 1981 and 1980*
(\$US)

<u>Revenue</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Subscriptions	62,806	63,275	61,875
Grants and donations	-	50,000	51,000
Course and seminar fees	108,363	112,997	129,845
Consultation fees	201,841	140,827	141,072
External training fees	34,910	52,325	59,140
Agency Fees	937	626	5,779
Other	411	921	3,108
Interest	2,025	5,859	11,713
Gain on sale of fixed asset	13	-	1,000
Total Revenue	411,306	426,820	464,532
 <u>Expenses</u>			
Salaries, allowance and nat. Insurance	263,031	279,633	243,358
Fees-part-time instructors	21,579	28,280	35,815
Depreciation	8,235	6,183	8,235
Utilities	13,771	13,359	13,561
Office expenses and stationery	12,261	12,089	10,680
Books and Subscriptions	17,197	15,357	19,723
Advertising and public relations	6,196	7,449	5,807
Repairs and maintenance	6,045	4,317	5,296
Rent	2,362	2,362	11,082
Travel	7,608	12,178	6,180
Accounting and audit	2,850	3,400	3,900
Miscellaneous	2,808	3,247	4,797
Seminar expenses	12,871	-	9,959
Insurance	1,449	2,006	4,520
Bad debts	658	1,698	633
Graduation expenses	2,528	3,981	5,514
Bank charges and interest	1,085	1,732	987
Rent of motor vehicle and equipment	3,966	5,521	-
Annual general meeting	736	962	649
Land taxes	412	1,375	1,238
Staff recruitment expenses	2,571	-	-
Wages	-	-	13,941
Uniforms	-	-	1,331
Fellowship Expense	-	-	9,548
Total Expenses	<u>390,219</u>	<u>405,129</u>	<u>406,798</u>
Excess of revenue over expenses	<u>21,087</u>	<u>21,691</u>	<u>57,736</u>

*columns may not add because of rounding

TABLE II
BIMAP
 Balance Sheet
 As of December 31, 1982
 with comparative figures for 1981 and 1980*
 (US\$)

<u>ASSETS</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Cash in hand:- Petty cash	-	-	50.00
Call Account	-	-	11,808.09
Term Deposits	55,122	50,405	161,122.24
Accounts receivable and accrued fee (less allowance for doubtful accounts \$3,147) 1980 -- \$1,905)	110,114	109,916	102,260.95
Staff Loans	5,533	11,208	5,576.30
Prepaid expenses	6,542	11,106	237.22
Stock of books			5,703.06
World Bank Fund	-	-	2,549.72
Accrued Interest	-	-	2,552.14
Total current assets	177,361	182,590	291,860.22
<u>Fixed assets, at cost less accumulated depreciation:</u>			
Buildings	114,077	14,947	452,447.20
Furniture and equipment	42,199	39,728	80,110.12
Books and films	10,546	11,023	11,072.48
Leasehold improvements	7,462	7,462	7,462.50
	174,284	73,160	551,092.30
Less accumulated depreciation	(53,073)	(56,441)	(63,583.96)
Net fixed assets	121,211	16,719	487,508.34
Total Assets	298,572	199,309	779,368.56
<u>Liabilities and General Fund</u>			
<u>Current liabilities:</u>			
Bank overdraft	44,539	9,941	9,976.31
Accounts payable and accrued expenses	20,272	30,327	29,531.60
Deferred revenue (Prepaid Income)	22,022	24,730	17,842.50
P.A.Y.E.	-	-	4,780.30
Total current liabilities	86,833	64,998	62,130.71
Other liabilities	103,961	4,831	4,850.82
General Fund	107,775	129,480	129,480.00
	298,569	199,309	134,330.90
<u>Special Purpose Funds</u>			
Library Books Donations	-	-	2,272.73
Building	-	-	437,500.00
Furniture & Equipment	-	-	38,850.00
Training Fund	-	-	46,548.30
Excess income net expenditure for year	-	-	57,735.83
	-	-	582,906.94
	-	-	779,368.55

Columns may not add because of rounding

VIII. CONDITIONS AND COVENANTS

a. Conditions Precedent to First Disbursement

Prior to the first disbursement under the Grant or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactorily to A.I.D.:

1) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by and executed on behalf of the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms.

2) Evidence that appropriate procedures to account for A.I.D. funds and to meet A.I.D. reporting requirements, including a system of charging staff time to the project have been established.

3) A client fee structure and cost recovery policy that is acceptable to A.I.D.

b. Conditions Precedent for Training Activities

1) Prior to disbursement of funds for training activities in any participating country, BIMAP will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. a semi-annual implementation plan which projects the levels of effort for BIMAP assistance to the private sector, and BIMAP institution-building activities.

2) Prior to the disbursement of funds for training activities for individual participating countries, BIMAP will furnish to A.I.D.:

a) an agreement with the pertinent government which permits training and consultant services and, in a manner satisfactory to A.I.D., waives taxes and duties on goods and services.

b) evidence of the establishment of an Advisory Committee of at least three persons to serve as a liaison with local enterprises and selected parastatal organizations.

c) Condition Precedent to Procurement of Goods and Services

Prior to any procurement of goods and services, BIMAP will, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

- 1) a written statement of the procurement procedures which BIMAP will follow in effecting all procurement under the grant,
- 2) a list of items to be purchased and an indication of their intended use and
- 3) an explanation as to how the items will be maintained.

d. Condition Precedent to Disbursements on Contracts

Prior to disbursement of funds for technology, productivity, and/or management contracts with U.S. organizations, BIMAP shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. an overall plan for the contracting, implementation and management of contracts.

e. Source, Origin, and Procurement of Commodities

Except for ocean shipping and except as A.I.D. may otherwise agree in writing, goods and services financed by A.I.D. shall have their source and origin in the United States A.I.D. Code 000, Barbados or as specifically permitted in A.I.D.'s Handbook 13 for grant agreements. Ocean shipping financed under the Grant shall be procured from the United States except as A.I.D. may otherwise agree in writing.

f. Special Covenants

1. Project Evaluation:

The Parties shall agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

a) evaluation of progress toward attainment of the objectives of the Project;

b) identification and evaluation of problem areas of constraints which may inhibit such attainments;

c) assessment of how such information may be used to help overcome such problems; and

d) evaluation, to the degree feasible, of the overall development impact of the Project.

2. Client Fee Income

BIMAP will collect client fees whenever possible and any income generated from the fees will be used to defer costs of the project within the life of the project. Status of client fee income will be included in the quarterly financial reports.

IX. EVALUATION ARRANGEMENTS

A. PRIVATE SECTOR COMPONENT

A running evaluation and monitoring process has already been described under Section VI, Monitoring Plan, with respect to the private sector elements of the project. As indicated, base line data will be developed for each of the enterprises assisted with training interventions. New information will be obtained at least once a year after the training and consulting activities are completed, or during such activities if they extend for more than a single year.

BIMAP itself will be engaged in a continuous evaluation of each of its activities as a means of determining their viability and the need for shifts in emphasis as between the different training modes employed. BIMAP will report its progress under the program in both narrative and statistical discussions on a quarterly basis. Financial reports will also be submitted quarterly to RDO/C as the basis for reimbursement.

In addition to the running evaluation and monitoring process basically two types of external evaluations will be conducted, a progress evaluation after the first eighteen months and an in depth evaluation at the end of forty-eight months. The progress evaluation will involve a careful review of progress towards the achievement of the objectives of the project. It will focus on the effectiveness and cost benefit of BIMAP's training activities and on improvements in the performance of firms receiving BIMAP interventions. The final in depth evaluation will examine (1) the impact which the project has made on BIMAP's capabilities to deliver training and consulting services and to sustain this role beyond termination of the project and (2) the impact on private sector firms in terms of improved management, increased viability and higher productivity.

B. PARTICIPANT TRAINING COMPONENT

With respect to the participant training portions for both the public and private sectors, an evaluation will be conducted toward the end of the second year. This evaluation will examine the degree to which cooperating countries support the provision of training to assist development activities by reviewing the selection of individuals for training, and their utilization upon return from training. It will also determine the extent to which new initiatives or improved practices growing out of training have impacted on the beneficiary clientele and will incorporate a tracer study to assess the long-term training needs and demands for both sectors.

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ANNEX A

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ACTION AID INFO DCM

BEAYVZC20VNC353
RR RUEHVN
DE RUEHC #3288/01 0061025
ZNR UUUUU ZZH
R 060714Z JAN 83
FM SECSTATE WASHDC
TO AMEMBASSY BRIDGETOWN 0530
BT
UNCLAS STATE 203288

06 JAN 83
TOR: 1235
CN: 00337
CHRG: AID

AIDAC

E.C. 12356: N/A

TAGS:

SUBJECT: REGIONAL DEVELOPMENT TRAINING (538-0027) PID

1. THE BUREAU'S DAFC CONVENED ON DECEMBER 23, 1982 TO REVIEW SUBJECT PID. THE PID WAS APPROVED SUBJECT TO GUIDANCE SET FORTH BELOW.

2. INSTITUTIONAL DEVELOPMENT OF BIMAP: BIMAP SHOULD BE VIEWED AS AN INSTITUTION WHICH WILL BE TRULY RESPONSIVE TO PRIVATE SECTOR NEEDS AND BE ABLE TO WORK WITH CLIENTS TO THE GREATEST EXTENT POSSIBLE ON A COST RECOVERY BASIS. DURING INTENSIVE REVIEW MISSION IS REQUESTED TO:

--A. UNDERTAKE MARKET ANALYSIS TO ASCERTAIN PRIORITY TRAINING AND TECHNICAL ASSISTANCE NEEDS OF PRIVATE FIRMS, AND THEIR WILLINGNESS TO UTILIZE BIMAP'S SERVICES TO ADDRESS THESE NEEDS.

--B. STUDY WAYS TO IMPROVE BIMAP'S CAPACITY TO CONDUCT MANAGEMENT NEEDS ASSESSMENTS THROUGHOUT THE REGION.

--C. UNDERTAKE A SELECTIVE FOLLOW-UP STUDY UTILIZING SAMPLING TECHNIQUES TO DETERMINE EXTENT TO WHICH PREVIOUS BIMAP GRADUATES ARE EMPLOYED AND EFFECTIVELY EXECUTING THEIR RESPONSIBILITIES (AN APPROPRIATE OUTPUT OF THIS PROJECT WOULD BE THE ESTABLISHMENT OF SUCH A CAPACITY AT BIMAP.)

--D. STUDY AND DISCUSS IN DETAIL THOSE FACTORS WHICH HAVE CONTRIBUTED TOWARDS MAKING BIMAP A SUCCESS IN BARBADOS, AND WHETHER OR NOT THOSE FACTORS EXIST ELSEWHERE IN THE REGION TO ENABLE BIMAP TO CARRY OUT ITS EXPANDED ROLE EFFECTIVELY.

--E. IN CONDUCTING INSTITUTIONAL ANALYSIS OF BIMAP, MISSION SHOULD MAKE CERTAIN THAT CAPACITY EXISTS OR WILL BE ESTABLISHED TO PROPERLY CARRY OUT ADDITIONAL RESPONSIBILITIES ENVISIONED UNDER PROJECT.

3. TRAINING:

--A. ALTERNATIVES TO PARTICIPANT TRAINING. LONG-TERM

ASST. DIR.	
ADM. ASST.	
EDUC.	11
EXT. AFF.	
GEN. AFF.	
INTELL.	
INSPECTION	
LABOR REL.	
LEGAL COUNSEL	
PLANNING	
RECORDS MGMT.	
TRAINING	
WORKING	

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TRAINING PLACES A SEVERE DRAIN ON THE HUMAN AND FINANCIAL RESOURCES OF THE RELATIVELY SMALL-SCALE FIRMS OF THE REGION. FURTHERMORE, THESE PARTICIPANTS WOULD RECEIVE TRAINING IN A WIDE RANGE OF FIELDS SOME OF WHICH WOULD NOT BE DIRECTLY RELEVANT TO THE TASKS THEY WOULD BE EXPECTED TO PERFORM UPON THEIR RETURN. THEREFORE, LONG-TERM PROGRAMS SHOULD NOT BE FINANCED AND MEDIUM-TERM (FOUR TO SIX MONTHS) OVERSEAS TRAINING SHOULD BE ALLOWED ONLY ON A TUITION COST SHARING BASIS. DURING INTENSIVE REVIEW THE MISSION SHOULD CAREFULLY EXAMINE THE APPROPRIATENESS OF A SERIES OF LONGER-TERM IN-COUNTRY TRAINING PROGRAMS WHICH WOULD RELY ON EXTRA-REGIONAL SOURCES OF TRAINING EXPERTISE IN AREAS SUCH AS MARKETING AND FINANCIAL MANAGEMENT.

--E. TRAINING GRANTS VS COST SHARING: THE USE OF TRAINING GRANTS FOR CAREER DEVELOPMENT TRAINING POSES DIFFICULTIES WHEN THESE INDIVIDUALS ARE EMPLOYED BY FIRMS IN THE PRIVATE SECTOR. HOWEVER, THE PRIVATE SECTOR WILL BE THE MAIN BENEFICIARY OF THIS PROJECT. THEREFORE, FIRMS SHOULD BE WILLING TO SHARE RESPONSIBILITY FOR COSTS OF SUCH TRAINING SINCE MUCH OF THE ECONOMIC BENEFIT FROM SUCH TRAINING WILL ACCRUE TO THE FIRM. THE MISSION SHOULD EXAMINE THE USE OF A COST SHARING ARRANGEMENT WHICH WOULD INDICATE THE FIRM'S LEVEL OF INTEREST IN SUCH TRAINING AND ITS SHARE IN THE RETURN, CONTINUED EMPLOYMENT AND EFFECTIVE USE OF THE INDIVIDUAL.

--C. SELECTION CRITERIA: IT IS RECOMMENDED THAT THE MISSION ESTABLISH DETAILED SELECTION CRITERIA FOR TRAINING DURING INTENSIVE REVIEW. THE MISSION SHOULD USE AS A GENERAL BASIS FOR SELECTION OF INDIVIDUALS THOSE CRITERIA ESTABLISHED FOR THE LAC REGIONAL TRAINING INITIATIVES PROJECT. IN ADDITION, CRITERIA SHOULD BE ESTABLISHED FOR THE PROVISION OF TRAINING TO EMPLOYEES OF A FIRM.

4. ASSISTANCE TO PARASTATALS: THE ASSISTANCE TO PARASTATALS SHOULD BE HELD TO A MINIMUM UNDER PROJECT, WITH SUCH ASSISTANCE PROVIDED ONLY TO THOSE PARASTATALS PROVIDING SERVICES DEEMED ESSENTIAL TO A GIVEN COUNTRY'S ECONOMIC DEVELOPMENT.

5. USE OF COOPERATIVE AGREEMENT: GC/LAC HAS DETERMINED THAT A COOPERATIVE AGREEMENT IS NOT THE PROPER INSTRUMENT TO USE FOR PROCURING SERVICES TO HELP PREPARE THE PP OR TO ASSIST WITH PROJECT IMPLEMENTATION. THE APPROPRIATE INSTRUMENT FOR THE ACQUISITION OF SUCH SERVICES IS A CONTRACT (SEE AID HANDBOOK 1B, CHAPTER 25). MOREOVER, UNLESS NONCOMPETITIVE NEGOTIATION CAN BE JUSTIFIED IN ACCORDANCE WITH AGENCY GUIDELINES, COMPETITIVE PROCEDURES MUST BE FOLLOWED. WHETHER OR NOT THE CONTRACT FOR THE

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SERVICES NECESSARY FOR THE PREPARATION OF THE PP ARE AWARDED USING COMPETITIVE PROCEDURES, THE CONTRACT MUST ENSURE THAT NO UNFAIR COMPETITIVE ADVANTAGE IS ACHIEVED BY THE CONTRACTOR WITH RESPECT TO THE WORK WHICH WILL ARISE ONCE THE PROJECT HAS BEEN APPROVED (E.G., PREPARING A SCOPE OF WORK FOR FOLLOW-ON ACTIVITIES). FOLLOW-ON WORK SHOULD BE PROCURED ON A COMPETITIVE BASIS.

6. PARTICIPATING COUNTRIES: SEPTEL FOLLOWS PROVIDING GUIDANCE ON COUNTRIES ELIGIBLE TO PARTICIPATE UNDER PROJECT.

7. FUNDING: CURRENTLY, THE FY 1983 OYB PROJECTION INCLUDES ONLY DOLS 520,202 FOR THIS PROJECT. THIS PORTINDS POTENTIAL FUNDING PROBLEMS FOR PROJECT IN FY 1984 AND BEYOND GIVEN PROJECTED FUNDING LIMITATIONS IN BUNIAU'S EBRD ACCOUNT. THEREFORE, MISSION SHOULD MAKE SERIOUS EFFORT TO REDUCE A.I.D. CONTRIBUTION TO THE PROJECT. PLEASE TRANSMIT MISSION'S CONCLUSIONS ON PROJECT FUNDING FOR BUREAU REVIEW AND APPROVAL BEFORE AUTHORIZING PROJECT.

8. AS MISSION AWARE, BUREAU HAS ESTABLISHED JUNE 30, 1983 AS DEADLINE FOR AUTHORIZING/OBLIGATING FY 83

PROJECTS. THEREFORE, MISSION SHOULD COMPLETE INTENSIVE REVIEW IN TIMELY MANNER TO MEET THIS DEADLINE.

9. FYI: ALL LAC MISSION APPROVALS ARE SUBJECT TO BUREAU REVALIDATION IF PCST-PID PROJECT DEVELOPMENT PROCESS EXTENDS BEYOND ONE YEAR. END FYI. SHULTZ
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BRIDGETOWN 755 ^{ANNEX A} Page 4 of 7

VZCZCZKI *
RR RUEHC
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ZNR UUUUU ZZ
R 291652Z FEB 83
FM AMEMBASSY BRIDGETOWN
TO SECSTATE WASHDC 4261
BT
UNCLAS BRIDGETOWN 20755

CLASS: UNCLASSIFIED
CRG: AID 2/2/83
APPRV: RDO/C:A/DIR:TEMO.
DRFTD: RDO/C:HRDO:FRLENA
GPM
CLEAR: 1. DCM:LA FLOWER
R:TEROWN 3. PRM:TI

AIDAC

F.C. 12336 N/A
TAGS: NONE
SUBJECT: REGIONAL DEVELOPMENT TRAINING (538-0287) PID

REF: SLATE 203288

1. MISSION NOTES COMMENTS REPEL AND WILL TAKE THESE INTO ACCOUNT DURING INTENSIVE REVIEW SCHEDULED FOR FEBRUARY AND MARCH.
2. WE ARE CONCERNED, HOWEVER, WITH CONDITIONS IN PARA 3A ON BOTH LONG-TERM AND MEDIUM TERM TRAINING. WE ASSUME PARA 3A COMMENT IS APPLIED BY AID/W ONLY TO PRIVATE NOT PUBLIC TRAINING. THESE RESTRICTIONS APPEAR TO DIVERGE FROM OVERALL AGENCY POLICY REGARDING TRAINING FOR THE PRIVATE SECTOR. MORE IMPORTANT TO US AND BASED ON OUR INITIAL FINDINGS, THEY WOULD BE UNDULY RESTRICTIVE FOR THE SITUATION HERE IN THE CARIBBEAN. MISSION WILL CLOSELY EXAMINE THE ISSUES RAISED IN PARA 3A AND BASE OUR FINAL DETERMINATIONS ON TYPES OF TRAINING AND OPTIONS (FOR PRIVATE SECTOR CONTRIBUTIONS) ON THE FINDINGS EMANATING FROM THE INTENSIVE REVIEW. EISE
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CC RULIC
DE RUEFAA #1372/01 068 **
ZNR UUUUU ZZL
C 291848Z MAR 83
FM AMEMBASSY BRIDGETOWN
TO SECSTATE WASHDC IMMEDIATE 4401
BT
UNCLAS BRIDGETOWN 01372

CLASS: UNCLASSIFIED
CHRG: AID 3/3/83
APPRV: RDO/C:DIR:AEVHE
DRFTD: RDO/C:HRDO:RFR
GEN
CLEAR: 1. DCM:LFLOWER
DIR:TDMORSE 3.

UUUU AIRAC

FCR LAC/DR

E.C. 12356 N/A
TAGS: NONE

SUBJECT: CONGRESSIONAL NOTIFICATION FOR REGIONAL
DEVELOPMENT TRAINING PROJECT (538-2087)

1. PVO/C REQUESTS AID/W PROCEED WITH CONGRESSIONAL
NOTIFICATION FOR SUBJECT PROJECT.

- A. BASIC DATA

- 1. PROJECT TITLE: REGIONAL DEVELOPMENT TRAINING II
- 2. PROJECT NUMBER: 538-2087

UUUU - 3. FY 1983 CP REFERENCE: NONE

- 4. APPROPRIATION CATEGORY: EDUCATION AND HUMAN
RESOURCES

- 5. INTENDED OBLIGATION FY83: \$1,448,200

- 6. FINAL OBLIGATION: FY86

P. PURPOSE: TO UPGRADE THE MANAGERIAL AND TECHNICAL
SKILLS OF PUBLIC AND PRIVATE SECTOR EMPLOYEES IN THE
CARIBBEAN IDCS AND PARAGUOS, IMPROVE THE OUTPUT AND
PERFORMANCE CAPABILITIES OF SIGNIFICANT PRIVATE ENTERPRISES
AND PUBLIC AGENCIES WHOSE ACTIVITIES ARE VITAL TO THE
DEVELOPMENT PROCESS, AND EXPAND THE SCOPE AND TECHNICAL
COMPETENCE OF THE BARBADOS INSTITUTE OF MANAGEMENT AND
PRODUCTIVITY TO PROVIDE TRAINING, CONSULTING AND APPLIED
RESEARCH SERVICES THROUGHOUT THE REGION.

UUUU - C. PROJECT DESCRIPTION: THIS PROJECT WILL EXPAND THE
PROGRAMS AND ACTIVITIES OF THE BARBADOS INSTITUTE OF
MANAGEMENT AND PRODUCTIVITY SO AS TO EXTEND ITS TRAINING,
CONSULTING, AND APPLIED RESEARCH ASSISTANCE TO PRIVATE
ENTERPRISES THROUGHOUT THE REGION. USING A COMBINATION OF
ORGANIZATION DEVELOPMENT DIAGNOSTIC AND PROBLEM SOLVING
METHODS WITH BOTH IN-HOUSE AND EXTERNAL TRAINING, THE
INSTITUTE WILL ASSIST SELECTED PRODUCTIVE ENTERPRISES AND
PARASTATAL ORGANIZATIONS SUCH AS PUBLIC UTILITIES TO RAISE
PRODUCTION LEVELS AND INCREASE SERVICE DELIVERY. INDI-
VUALS WITHIN THE SPECIFIC ORGANIZATIONS BEING ASSISTED
WILL BE PROVIDED WITH APPROPRIATE WITH SHORT OR LONG-TERM

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TRAINING OR ATTACHMENTS IN THE U.S. AND CARIBBEAN COUNTRIES, AND NEEDLE PRODUCTIVITY OR IMPROVED TECHNOLOGY SPECIALISTS WILL BE CONTRACTED FROM THE U.S. TO ASSIST KEY PRIVATE FIRMS OR UTILITIES BEING PROVIDED WITH CONSULTING AND TRAINING SERVICES UNDER THE PROJECT. TRAINING IN MANAGEMENT WILL ALSO BE PROVIDED TO ENTREPRENEURS AND SUPERVISORS IN INTERMEDIATE SIZE INDUSTRIES BY COURSES AND WORKSHOPS CONDUCTED IN THE ISLAND STATES OF THE REGION. THE INSTITUTE WILL BE STRENGTHENED INSTITUTIONALLY BY INCREASING ITS PROFESSIONAL STAFF, THE CREATION OF REGIONAL OFFICES IN TWO ISLANDS OTHER THAN BARBADOS, AND BY THE ACQUISITION OF NEEDED TRAINING EQUIPMENT ESSENTIAL TO THE SUCCESSFUL CONDUCT OF MODERN MANAGEMENT AND TECHNICAL TRAINING.

LONG AND SHORT-TERM TRAINING FOR PUBLIC SECTOR EMPLOYEES OF THE CARIBBEAN STATES IN TECHNICAL AND MANAGERIAL SUBJECTS WILL BE PROVIDED IN THE U.S. AND CARIBBEAN STATES AS MOST APPROPRIATE. PUBLIC SECTOR PARTICIPANT SELECTION AND PLACEMENT WILL BE ACCOMPLISHED THROUGH FASA AGREEMENT OR CONTRACT WITH APPROPRIATE INSTITUTION. SOME 32 PUBLIC SECTOR AND 30 PRIVATE SECTOR PARTICIPANTS WILL BE SCHEDULED EACH YEAR.

- D. RELATIONSHIP OF PROJECT TO AID REGIONAL STRATEGY: USAID STRONGLY SUPPORTS EFFORTS TO STRENGTHEN PRIVATE SECTOR DEVELOPMENT, TO BUILD VIABLE PRIVATE SECTOR INSTITUTIONS, INCLUDING THOSE THAT PROVIDE CRITICAL SERVICES TO SUCH INSTITUTIONS. WORKING FROM RDO/C'S CDSS AND AID/W WORLDWIDE GUIDANCE ON PRIVATE SECTOR AND INSTITUTIONAL DEVELOPMENT, AND FROM RDO/C'S CARIBBEAN BASIN INITIATIVE IMPLEMENTATION PLAN, THE PROJECT IS SUPPORTIVE OF PRIVATE SECTOR GROWTH, THE STRENGTHENING OF INDIGENOUS PRIVATE SECTOR INSTITUTIONS, AND OVERALL ECONOMIC GROWTH IN THE REGION. THE PRIVATE SECTOR DEVELOPMENT STRATEGY INCLUDES DEVELOPMENT AND IMPROVEMENT OF MANAGERIAL AND TECHNICAL SKILLS THROUGH TRAINING FOR THE PRIVATE AND PRODUCTIVE SECTORS. THE PROJECT ELEMENTS OF BUSINESS TRAINING ASSISTANCE AND INDIVIDUAL TRAINING GRANTS ADDRESS DIRECTLY THE HUMAN RESOURCE CONSTRAINTS INHIBITING EXPANSION OF THE PRIVATE SECTOR IN THE EASTERN CARIBBEA. THE PUBLIC SECTOR GENERAL TRAINING COMPONENT REINFORCES OTHER MISSION PROJECTS BUT DOES NOT DUPLICATE THEM. IT CONTINUES AN APPROPRIATE RESPONSE TO PUBLIC SERVICE MANAGERIAL AND TECHNICAL TRAINING NEEDS THROUGHOUT THE REGION.

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- E. HOST COUNTRY CONTRIBUTION: PRIVATE SECTOR BUSINESSES AND INDUSTRIES, THROUGH PAYMENT FOR CONSULTATION AND TRAINING SERVICES, WILL PROVIDE APPROXIMATELY \$600,000. IN ADDITION, THEY WILL PAY SALARIES OF PARTICIPANTS WHILE IN TRAINING. THE BARBADOS INSTITUTE OF MANAGEMENT AND PRODUCTIVITY WILL PROVIDE BUILDING AND OTHER PHYSICAL FACILITIES. GOVERNMENTS WILL PROVIDE SALARIES OF PUBLIC SECTOR PARTICIPANTS WHILE IN TRAINING.

- F. BENEFICIARIES: PARTICIPANTS IN LONG AND SHORT-TERM TRAINING, ENTREPRENEURS AND SUPERVISORS IN MANAGEMENT TRAINING COURSE, BUSINESS AND INDUSTRIES ASSISTED, AND THE BARBADOS INSTITUTE OF MANAGEMENT AND PRODUCTIVITY.

- G. 40 ISLAND ENTERPRISES WILL BE PROVIDED WITH ORGANIZATION DEVELOPMENT CONSULTING AND TRAINING ASSISTANCE; 315 INTERMEDIATE SIZE ENTERPRISES WILL BE PROVIDED WITH TRAINING AND CONSULTATION FOR SLOPS; 542 MANAGERS AND ENTREPRENEURS WILL BE TRAINED IN MANAGEMENT; AND 240 SHORT AND LONG-TERM PARTICIPANTS WILL BE TRAINED IN TECHNICAL AND MANAGERIAL SUBJECTS IN THE U.S. OR THE CARIBBEAN AREA.

- H. INPUTS: TECHNICAL ASSISTANCE	
MANAGEMENT TRAINING CONSULTATION	\$1,230,000
TECHNOLOGY AND PRODUCTIVITY CONSULTATION	472,200
PARTICIPANT TRAINING (INDIVIDUAL GRANTS)	3,020,200
COMMODITIES	150,000
EVALUATION	100,000

TOTAL 5,200,000

- I. PLEASE ADVISE MISSION WHEN THIS NOTIFICATION IS FORWARDED TO CONGRESS, AND SEND ALLOTMENT AND APPROPRIATION NUMBERS. BISE

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LOGICAL FRAMEWORK

List of Projects:
From FY 83 to FY 87
Total U.S. Funding: \$5.0 million
Date Prepared: May, 1983

Project Title & Number: Regional Development Training II

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>To increase viability of private enterprise and performance of public sector services.</p>	<p>Measure of Goal Achievement:</p> <ul style="list-style-type: none"> -Marginal increases in enterprise profits; -Marginal decreases in enterprise debts; -Marginal increases in enterprise employment; -Improved organization outputs and timeliness; -Greater client satisfaction. 	<ul style="list-style-type: none"> -Private enterprise reports; -Observation by project staff; -Customer and client reports; -Government reports. 	<p>Assumptions for achieving goal targets:</p> <ul style="list-style-type: none"> -International economic conditions adequate; -Continued political stability and government support of private enterprise development; -Credit, materials available; -Interest rates tolerable; -Governments cooperate regarding both private enterprise and public service efforts.
<p>Project Purpose:</p> <p>1) to upgrade the managerial and technical skills of public sector employees through short or long-term training, 2) to improve the output and performance capabilities of private enterprises and public agencies through organizational development diagnostic and problem solving methods and 3) to expand the institutional capacity of BIMAP to extend its training and consulting assistance to private enterprises.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <ul style="list-style-type: none"> -Reduced personnel turnover; -Better management information; -Improved employee work habits; -Greater employee skills; -Improved plant and equipment utilization; -Improved production efficiency (unit cost of labor/material decreases). 	<ul style="list-style-type: none"> -Private enterprise reports; -Private enterprise customer reports; -Observation of project staff; -Government reports; -Project evaluation. 	<p>Assumptions for achieving purpose:</p> <ul style="list-style-type: none"> -Improved in knowledge and skills will produce greater production; -Attitudes are changeable.
<p>Outputs:</p> <p>Improvements in knowledge, attitudes, skills, management behavior, and technology use.</p>	<p>Magnitudes of Outputs:</p> <ul style="list-style-type: none"> 48 single business interventions; 315 intermediate size enterprises assisted; 560 managers and supervisors trained; 200 short-term training awards/private enterprise; 7.2 person years BIMAP staff training; 30 long-/15 short-term person years public sector training; 5.7 person years private sector training. 	<ul style="list-style-type: none"> -Project reports; -Private enterprise reports; -Government reports; -Project Evaluation 	<p>Assumptions for achieving outputs:</p> <ul style="list-style-type: none"> -Technology available and adaptable -Private enterprises want assistance and will cooperate; -Private enterprises and governments will release trainees.
<p>Inputs:</p> <ul style="list-style-type: none"> -Grant to Barbados Institute of Management and Productivity; -Individual Public Sector Training Grants; -Donation 	<p>Estimated Total Target (Type and Quantity)</p> <ul style="list-style-type: none"> \$2,150,000 \$2,850,000 \$5,000,000 		<p>Assumptions for providing inputs:</p>

Best Available Document

5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable generally to projects with FAA funds and project criteria applicable to individual funding 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 PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. Continuing Resolution Unnumbered; FAA Sec. 634A; Sec. 653(b).

(a) Describe how authorizing and appropriations Committees 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 amount)?

--- A Congressional Notification has been forwarded to Congress.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Yes

3. FAA Sec. 611(a)(2). 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?

N/A

A. 4. FAA Sec. 611(b); Continuing Resolution Sec. 591. It for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973?

N/A

5. FAA Sec. 611(e). 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?

N/A

6. FAA Sec. 209. 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.

This is a regional project.

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; and (c) encourage development and use of cooperatives, and 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.

The project is expected to assist 363 island enterprises, including training for 540 managers, and additionally to train 240 short and long term participants in technical and managerial subjects. This will encourage efforts to increase international trade and improve technical efficiency of industry, agriculture and commerce.

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.

The project will encourage U.S. private sector training and participation. The project has a major private sector training component.

A.8. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

9. FAA Sec. 612(b), 616(h); Continuing Resolution Sec. 508. 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 in lieu of dollars.

Firms, organizations and governments receiving training will all contribute towards the costs of services provided -- usually at least 25%.

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(c). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes

12. Continuing Resolution Sec. 522. 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(h), 111, 113, 281(a). Explain to which activity will (a) effectively involve the people in development, by extending access to economy at local level, increasing labor-

Project will indirectly benefit the poor of the region by training public and private sector personnel working in AID priority development areas.

8.1.a. 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 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?

b. FAA Sec. 103, 103A, 104, 105, 106, 107. To 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 (a) extent to which activity is specifically designed to increase productivity and income of rural poor; 103A if for agricultural research, full account shall be taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made; (b) extent to which assistance is used in coordination with programs carried out under Sec. 104 to help improve nutrition of the people of developing countries

This project strengthens management and administrative capabilities of government and private sector personnel enabling the poor to participate in development. This personnel will be working in the ~~area~~ of agriculture, population, planning, energy, environment, science and technology, human resources and other sectors. The funding sources of this project is the education section.

8.1.b.(4) and (ii) extent to which assistance provides advanced education and training of people in developing countries in such disciplines as are required for planning and implementation of public and private development activities.

(5) [106; ISDCA of 1980, Sec. 304] for energy, private voluntary organizations, and selected development activities; if so, extent to which activity is: (i) (a) concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; (b) facilitative of geological and geophysical survey work to locate potential oil, natural gas, and coal reserves and to encourage exploration for potential oil, natural gas, and coal reserves; and (c) a cooperative program in energy production and conservation through research and development and use of small scale, decentralized, renewable energy sources for rural areas;

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

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

(iv) reconstruction after natural or manmade disaster;

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

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

The project emphasizes the training of skilled personnel.

N/A

N/A

N/A

N/A

N/A

8.1.b.(1) through encouragement of increased production of crops with greater nutritional value, improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration of programs explicitly addressing the problem of malnutrition of poor and vulnerable people; and (c) extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

(2) [104] for population planning under sec. 104(b) or health under sec. 104(c); if so, (i) 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.

(4) [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;

8.1. c. [107] is appropriate effort placed on use of appropriate technology? (relatively smaller, cost-saving, labor using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.)

N/A

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)?

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

N/A

f. FAA Sec. 291(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 processes essential to self-government.

The program responds to expressions of interest from countries in the Caribbean region for training in skills required for participation in government and private sector development.

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

Yes

2. Development Assistance Project
Criteria 1977-1978

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to

N/A

B.2.a. repay the loan, at a reasonable rate of interest.

b. FAA Sec. 620(d): If assistance is for any productive enterprise which will compete with U.S. enterprises, 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

3. Project Criteria Solely for Economic Support Fund

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

N/A

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

SC(3) - STANDARD ITEM CHECKLIST

Listed below are the 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 commodities and services financed? Yes

2. FAA Sec. 604(a). Will all procurement 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 commodities be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in the U.S.? N/A

4. FAA Sec. 604(a); IDCA of 1980 Sec. 705(f). 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? (Exception where commodity financed could not reasonably be procured in U.S.) N/A

5. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 701(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities N/A

A.5. (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?

6. FAA Sec. 621. If technical assistance is financed, to the fullest extent practicable will such assistance, goods and professional and other services be furnished from private enterprise on a contract basis? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

N/A

7. International Air Transport. Fair Competitive Practices Act, 1934. If air transportation of persons or property is financed on grant basis, will provision be made that U.S. carriers will be utilized to the extent such service is available?

Yes

8. Continuing Resolution Sec. 505. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?

Yes

B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, are engineering and professional services of U.S. firms and their affiliates to be used to the maximum extent consistent with the national interests?

N/A

B. 2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N/A

3. FAA Sec. 620(k). If for construction or productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million? N/A

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? N/A

2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A

3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes

4. Continuing Resolution Sec. 514. If participants will be trained in the United States with funds obligated in FY 1981, has it been determined either (a) that such participants will be selected otherwise than by their home governments, or (b) that at least 20% of the FY 1981 fiscal year's funds appropriated for participant training will be for participants selected otherwise than by their home governments? N/A

C. 5. Will arrangements preclude use of financing:

- | | |
|---|------------|
| a. <u>FAA Sec. 104(f).</u> To pay for performance of abortions as a method of family planning or to, motivate or coerce persons to practice abortions; to pay for performance of involuntary sterilization as a method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization? | Yes |
| b. <u>FAA Sec. 620(c).</u> To compensate owners for expropriated nationalized property? | Yes |
| c. <u>FAA Sec. 660.</u> To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? | Yes |
| d. <u>FAA Sec. 662.</u> For CIA activities? | Yes |
| e. <u>FAA Sec. 676(i).</u> For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained. | Yes |
| f. <u>Continuing Resolution Sec. 504.</u> To pay pensions, annuities retirement pay, or adjusted service compensation for military personnel? | Yes |
| g. <u>Continuing Resolution Sec. 506.</u> To pay U.N. assessments, arrearsages or dues. | Yes |
| h. <u>Continuing Resolution Sec. 507.</u> To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending.) | Yes |
| i. <u>Continuing Resolution Sec. 509.</u> To finance the export of nuclear equipment fuel, or technology or to train foreign nationals in nuclear fields? | Yes |

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- C.5. j. Continuing Resolution Sec. 510. Will assistance be provided for the purpose of aiding 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? **Yes****
- k. Continuing Resolution Sec. 516. To be used for publicity or propaganda purposes within U.S. not authorized by Congress? **Yes****



BARBADOS INSTITUTE OF MANAGEMENT AND PRODUCTIVITY

WILDEY ST MICHAEL BARBADOS TEL.73635 CABLES BIMAP BARBADOS

March 18, 1983

The Director
U.S.A.I.D.
Regional Development Office/Caribbean
P.O. Box 302
Bridgetown
BARBADOS

Dear Sir:

The Barbados Institute of Management and Productivity (BIMAP) hereby submits an application to you for a grant of US\$3,185,000 to assist in a program to upgrade the managerial and technical skills of private sector employees in the Caribbean LDCs and Barbados and to improve the output and performance capabilities of significant private enterprises.

Specifically, assistance is requested to enable BIMAP to extend our training, consulting and applied research assistance to private enterprises and parastatal organizations in the less developed countries of the region.

The major mechanism for achieving the objectives described above will be a combination of organization development, diagnostic and problem solving methods coupled with both in-house and external training for both individuals and groups.

Through this program BIMAP will be strengthened institutionally by increasing its professional staff and by the creation of regional offices in two islands other than Barbados. BIMAP for its part will be utilizing existing staff members and facilities in support of the program.

I commend this request for your favourable consideration.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "R.W. Gibbons".

R.W. Gibbons
Executive Trustee

RWG:mg

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BASE DATA FORM

Name of Company _____

Address _____

Nature of Business _____

1. No. of Employees	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5
Production workers	_____	_____	_____	_____	_____
Supervisors	_____	_____	_____	_____	_____
Service & Support	_____	_____	_____	_____	_____
Sales Staff	_____	_____	_____	_____	_____
Managerial	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____

2. No. of Units Produced (Monthly/Annually)	_____	_____	_____	_____	_____
Per Capita Units (Units/Prod. Empls.)	_____	_____	_____	_____	_____

3. Production Quality					
Design (Visual Obser.)	_____	_____	_____	_____	_____
Construction (Visual Obser.)	_____	_____	_____	_____	_____
Rejects/1000	_____	_____	_____	_____	_____

4. Production Cost Per Unit	_____	_____	_____	_____	_____
Price Charged	_____	_____	_____	_____	_____
Profit	_____	_____	_____	_____	_____

5. General Condition of Plant

Safety _____

Cleanliness _____

Base Data Form (page 2)

6. Capitalization of Firm _____

7. Indebtedness of Firm _____

8. Inventory by Unit Unit 1 Unit 2 Unit 3 Unit 4 Unit 5
 _____ _____ _____ _____ _____

9. Total Inventory Value _____

10. Morale

Annual Personnel Turnover _____ Highest unit _____ Lowest unit _____

Rate of Absenteeism _____ Highest unit _____ Lowest unit _____

Rate of Tardiness _____ Highest unit _____ Lowest unit _____

Other Problems: _____

11. Percentage of Equipment Utilization _____

12. Percentage of Plant Utilization _____

13. Adequacy of Accounting System and Records: Excellent _____

Good _____

Adequate _____

Poor _____

14. Managerial Style _____

PROJECT ANALYSES */

Economic Analysis

As designed, this project does not lend itself well to cost-benefit analysis. In a training project that was designed to eliminate the problem of youth unemployment, the major benefit would be the reduction in job-search time on the part of the project's youth clients with the benefits measured by the wages received by the youths after securing employment. Similarly, if the thrust of a project were to upgrade the skills of employed unskilled workers, the benefits would be measured by the skilled versus non-skilled wage differential. On the other hand, the benefits that will accrue from this project, although potentially significant, are difficult to quantify. This project does not directly reduce youth unemployment nor does it contribute directly to increased wages. What this project seeks to do is to increase the productivity of the region's private and public sectors. Increased productivity means (a) that the same output that was achieved before can now be produced using less resources or (b) similarly with the same amount of resources more output can be produced than before. Increased productivity, in turn, will lead to greater overall economic output and hence more employment opportunities and will generate needed foreign exchange.

These productivity gains, however, are difficult to measure. With respect to the training provided to the private sector, this project's assistance covers a broad range of sectors, levels of responsibility, and duration and types of training. Hence, any measure of overall benefits would be highly imprecise. The economic viability of the assistance to be provided under this project to the public sectors in the English-speaking Eastern Caribbean is more difficult to assess than that to be furnished to the private sectors. Measures that define public sectors productivity are difficult to develop. Nonetheless, this project seeks to upgrade and improve the administrative and technical capabilities of the public sector. This will permit a more effective utilization of government resources. The project will provide participant training directed toward improving the institutional human resource base in key areas of the administrative structure. Project development in the form of improved decision making capability will lead to increased administrative efficiency and productivity.

With the costs specified, we calculated the annual benefit streams required to yield a 15 percent return for both the private and public sector components. A 15 year benefit stream was assumed. While benefits will commence after year one of the project, to facilitate calculations, the benefit stream for our cost-benefit analysis was not projected to commence until after all USAID contributions were made, which time benefits would have peaked and could be assumed to be constant for each year in the benefit stream. In the private sector component, also for ease in calculations, we assume that no institutionalization of project activities takes place, admittedly an unrealistic assumption.

For the private sector component, according to our calculations annual benefits of almost \$730,000 would have to be realized if a 15 percent internal rate of return were to be generated. According to the project's logical framework, 48 single business interventions and assistance to 315 intermediate size enterprises are envisioned. To realize total annual benefits of \$730,000, annual productivity increases of \$2,000 for each concern assisted would have to be obtained. Of course, we would expect the largest productivity increases in the case of the business interventions. The \$2,000 figure is biased high because of our assumption (a) that project benefits do not begin until all USAID contributions have been made and (b) that no institutionalization of project activities takes place.

Some institutional developments bode well for the private sector component. Even though BIMAP is a "non-profit institution, it has been making profits, i.e., monies have been put into a general reserve. To the extent that financial costs and benefits can be equated to economic costs and benefits, this suggests that projected activities undertaken through BIMAP will be viable from an economic standpoint. Moreover, in recent years, BIMAP has been able to increase charges on its courses and yet attendance and revenues have increased. This, at least, does not contradict the assertion that class participants may have been willing to pay more than they actually did pay, a factor that again augurs well for the project's economic viability.

In any instance, BIMAP should seek to have private concerns pay for any assistance received for two reasons. First, the willingness to pay would provide some notion of the benefits derived by the concern. Obviously, if the concern partakes of the services provided by BIMAP at a fee, the concern values the services provided by BIMAP at, at least, the value of the fee. Hence, a fee system puts a lower bound on the benefits derived by the concern to whom the services are being provided. Second, a fee system provides a benchmark whereby the "efficiency" of BIMAP can be gauged. Since a

fee system permits computation of the minimum value placed by the recipient on services received, the system can be used by BIPAP to make sound decisions on whether a particular program should be expanded or discontinued.

As for the public sector component, assistance to as many as 10 English-speaking Caribbean governments is envisioned with \$1.3 million for long-term and short-term training grants. For the public sector component as a whole, according to our calculations, annual benefits of \$380,000 would have to be secured if a 15 percent rate of return were to be achieved. This works out to annual productivity increases of a little over \$40,000 per country, and roughly, \$3,500 per training grant, though we would expect significantly greater returns from the long-term training grants. As in the case of the private sector component, these data are upward biased because of the assumption that benefits do not come on stream until after cessation of USAID assistance to the project.

Cost Effectiveness

In cost effectiveness analysis, we seek to minimize costs, holding as constant a given level of output. In this project, the issue of cost-effectiveness has arisen over the delivery of assistance under the private sector component, especially the business interventions. The business interventions are extremely costly. Nonetheless, the business interventions are mandated if the aim of the project--to increase productivity in the private sector--is to be accomplished. Seeking to assist the private sector through, for instance, the provision of courses, activities that are less costly, will not contribute to achievement of project goals. Private concerns in the region have indicated (a) that the provision of courses would have little impact on productivity, (b) that they would be loathe to release individuals for courses, especially in light of the output lost to the firm while these individuals were attending courses, and (c) that they would be unwilling to pay for the courses. On the other hand, these same concerns saw significant gains accruing to them from the consultancies and other assistance to be provided through the business interventions. In sum, while the assistance provided in the form of interventions is costly, it is a prerequisite for project success.

Best Available Document

Social Soundness Analysis

An overwhelming obstacle to the development of the countries of the Caribbean region has been the lack of sufficient numbers of trained personnel. Pervasive unemployment and underemployment constitute the social reality precisely because absence of job skills or even middle-level education severely restricts work opportunity and social mobility for a majority of the population in all but the most advanced of the islands. The goal of Regional Training Project II is to increase the viability and productivity of private enterprises and raise the performance of public development organizations through training and education. By upgrading the managerial and technical competence of private and public sector employees, and at the same time increasing organizational capabilities and incentives to achieve and sustain higher levels of production and performance, more job opportunities will be created for the island populations.

The social soundness analysis will focus on compatibility of the project within the socio-cultural environments of the countries served, the distribution of benefits, the nature of the beneficiaries, and the participative aspects of project implementation. Each point will be taken up in turn.

1. Project Compatibility

One of the most basic realities of the socio-cultural context of the Caribbean islands is the small size of almost all enterprises and organizations. The great majority of enterprises, even in Barbados, employ less than fifty people, and many government departments combine multiple functions and still perform those functions with a handful of professional employees. Dielave industries, even when owned by foreign corporate enterprises, are generally small in comparison with production units in the United States, Canada, or East Asia. A plant employing three hundred workers is a large enterprise in the Caribbean islands. Even large tourist hotels are small by most standards, including those owned or franchised by international hotel chains. The small organizations are often "one-man shows" even when employing up to one hundred people, because the individual in charge, whether owner or manager, is responsible for all aspects of operations: purchasing materials, production, quality control, market development and sales, and all aspects of finance. A hotel manager will personally supervise maintenance, housekeeping, promotion, restaurant facilities, and customer relations. Such enterprises are self-limiting in that,

without additional management and supervisor, personnel, expansion is impossible. Managers uniformly complain, nevertheless, of their inability to find or train supervisors and middle managers. They also complain of inappropriate attitudes on the part of workers and lack of even rudimentary concepts of pride in the job, organizational loyalty, or responsibility for outputs or performance. The same complaints are heard in many public utility enterprises and government departments.

Although problems are common, the solutions are remarkably organization specific. That is, the management and workers of a small enterprise have their own special needs based on the nature of the enterprise, the activities performed, the relationships among workers and between workers and management, and management's own perception of role and style. Training approaches, to be effective, must be based on a careful diagnosis of the internal and external work environment, identification of technical and managerial needs that can be addressed by training, and development within the organization of new ways of problem solving.

2. Distribution of Benefits

The training project will provide benefits primarily to the productive sector of the Eastern Caribbean LDCs, plus Barbados, and to the public sector institutions of the English-speaking Caribbean region. The institutions to be served are those that are already or show promise of becoming generators of employment through greater productivity and financial viability. Government institutions to be served are those whose effective performance is critical to the economic and social development of the territories, including those parastatal organizations providing basic services such as power, water, waste disposal, and port facilities.

It is to be noted that manufacturing and tourism have both brought new job opportunities, primarily to young women, on some islands. Nevertheless, most management and management related positions in the private sector are filled by male employees. In the public sector, women are much more likely to be found in key positions. Women, as well as men, will be employed in the training and organization development activities conducted under the project, and a large proportion of the trainees, both private and public, will be women. The selection and training of women for technical and supervisory roles will be carefully monitored throughout the project.

There are substantial differences in the economic bases for potential social mobility among the various less developed countries of the Eastern Caribbean, and the possibilities for promoting escape from severe poverty without emigration must be tailored to the particular resource endowments and economic factors of particular islands.

3. Beneficiaries

The beneficiaries under the Regional Development Training II Project are as follows:

- a. the intermediate size businessmen, manufacturers, merchants, hotel operators, and utility managers who receive consulting assistance and training;
- b. the employees of businesses and service organizations, including new employees who gain jobs as enterprises expand;
- c. recipients of individual training grants in both private and public sectors.

The principal institutional beneficiary will be the Barbados Institute of Management and Productivity. Strengthening BIMAP will multiply benefits to small and intermediate enterprises which are its main clients, as well as to those large businesses and manufacturers (all small by U.S. standards) best able to benefit by organization development and executive training interventions and courses.

4. Participation

Through the organization development training mode, the project will foster a more participatory management whereby the ideas and contribution of employees at every level are used to improve business operations. The organization development mode encourages interactive problem solving by all persons who work together in an organization. In management training courses, the benefits of participatory and interactive methods and styles will be emphasized.

In development of the Project Paper, the Executive Trustee of BIMAP and members of the BIMAP staff were active

participants, visiting with potential clients, reviewing work with previous clients, and designing project components.

Governments of the countries will participate in the selection of public sector trainees. In each country, screening committees, both public and private will be set up to review candidates proposed by training officers and other officials for training under the project.

Technical Analysis

Training programs to be effective must be relevant to the needs of the trainees and, more specifically, to the needs of the organizations in which the trainees work. In the course of project development, interviews with business owners and managers revealed a strong disenchantment with general courses and seminars. Many labeled such programs as irrelevant and a waste of time, insisting that training to be really useful had to be conducted within the enterprises and devoted to specific rather than general concerns. Likewise in the public sector, training to be truly useful needs to be related to the work people do in their jobs.

The Regional Development Training Project I, in its technical analysis, emphasized active rather than passive learning processes to be employed in public service training courses. Participation on the part of learners was viewed as a means of maximizing and making more relevant the ideas, concepts, and new knowledge to be acquired. To the greatest extent possible, training was to be experience based and provide participants an opportunity to use newly presented information, theories, and skills in practical problem-solving situations or exercises. It was believed that this methodology would enhance the value of training and provide greater assurance that what had been learned would be utilized in the work situation after completion of training.

The literature concerning the effectiveness of training methodologies is remarkably vacuous as to the best ways of transferring knowledge, skills and attitudes. The reason would seem to be that trainers themselves are the chief sources of information, and queries tend to be answered in terms of whatever methodology a particular trainer has mastered and feels most comfortable with. "The way I do it is obviously the best way or I wouldn't be using it," constitutes an underlying rationale for applying an accustomed method to all learning situations. Studies of training impact on subsequent learner behaviour are seldom carried out systematically, and when they are the findings are often considered suspect because so many intervening variables may affect that behaviour.

People do not learn to swim by reading about swimming techniques or to repair a motor by studying the theory of combustion engines. People have to get in the water or take an engine apart to really learn to swim or repair a motor. These points are common knowledge. It would seem equally true that people do not learn to manage organizations except by engaging in management activities. Because not everyone can have an organization with which to practice management, teachers have developed such methods as simulation, case analysis, and other problem-solving techniques to serve as surrogates for performance of the management role in an organization. Such methodologies are commonly employed in business schools and some public management programs. A combination of mutually reinforcing methodologies would seem to offer the best possibility of maximizing the learning accomplished in a training program. The methodology to be employed under the first Regional Development Training Project embraced these concepts and was clearly a big step beyond traditional classroom practice.

RDT II utilizes the organization development mode of training for the private enterprises to be assisted under the project not only because it is a preferred technique but also because it is the only practical way of meeting the training needs of the small-scale enterprises of the Eastern Caribbean. Given both the reluctance and the inability of many enterprises to release people for outside training, which in any case would be less job related, managerial and supervisory training as well as skills training in such areas as bookkeeping and accounting are best done in-house. Attitudinal concerns are also best dealt with in the work place where the nature of attitudinal problems is most tangible. The organization or enterprise becomes the principal point of focus, and upon its viability and profitability depend the well being and continued employment of its owners and employees. The measure of successful training interventions is provided by organizational performance in terms of increased output and higher levels of profitability.

Training has many facets, including that of technology improvement and productivity increases brought about by inputs from specialists in product design or production procedures, specialists who not only introduce the changes but train people in their use. The RDT II project makes available to the productive sector assistance in such matters from American organizations through the Barbados Institute of Management and Productivity, the principal implementer of the program. BIMAP will also select from enterprises served key individuals who need to increase their knowledge or improve technical skills through training or attachments in other countries of the region or in the United States. Thus a range of training options is available for application to private sector and

parastatal enterprise problems. Each of the options is practical in emphasis and specifically related to organizational as well as individual performance.

RDT II applies training technology that is in reality on the cutting edge of the training field. Consequently, careful monitoring of results is needed for immediate feedback and adjustment and also for the development of new knowledge about the effectiveness of such training technology in the Eastern Caribbean environment. Such monitoring is provided in the project implementation plan.

Institutional Analysis

BIMAP, nominally under the Ministry of Trade, is headed by a Board of Trustees of seven members. The Chairman of the Barbados Industrial Development Corporation serves ex-officio as the Chairman of the BIMAP Board. There are two elected members from the private sector, a nominee of the trustees representing workers' organizations, and ex-officio, the Permanent Secretary, Planning, and a senior officer of Government. An Executive Trustee, a member of the Board and chosen by it, functions as manager of the organization.

There is also an Advisory Council with members drawn from the broad range of business organizations in Barbados. Two from each of the following organizations make up its membership as advisors to the Board of Trustees:

- 1) Barbados Manufacturers Association
- 2) Barbados Employers Confederation
- 3) Barbados Youth Council
- 4) Barbados Chamber of Commerce
- 5) Barbados Hotel Association
- 6) Barbados Sugar Producers' Association
- 7) Barbados Airline Association
- 8) Barbados National Development Cooperative Society Limited.

The Board of Trustees meet every three months, usually a week after the Advisory Council, when it may consider the Council's recommendations and deal with such matters as recommended to it by the Executive Trustee. The Board of Trustees is the policy making body and the Executive Trustee implements that policy. For example, the Executive Trustee short lists all staff appointments, which are then examined by a committee of the Board of Trustees which then recommends to the full Board for final appointment.

The Advisory Council advises the Board of Trustees on technical matters but its role has diminished over time. For example, it was unable to hold its last meeting in 1982 for lack of a quorum. However, its functions appear less necessary.

In order to achieve its objectives, the Executive Trustee has organized BIMAP into four (4) divisions:

- . Training and Management Division
- . Consulting and Research
- . Small Business Development Program
- . Corporate Affairs

These divisions have full powers under the Memorandum of Association of BIMAP to:

1. Advise on problems relating to administrative organization;

2. Engage in research into all problems relating to personnel, industrial or business management, distribution, marketing and selling, and to collect, prepare and distribute statistics;

3. Employ experts to investigate and examine into the condition, management, prospects, value and circumstances of any business;

4. Act as business and market research consultants;

5. Engage and hire professional and skilled workers with a view to assisting any person, firm or company that requires their services or advice.

Each Division, with the exception of consulting and research, is headed by a member of the staff reporting directly to the Executive Trustee. The Executive Trustee heads consulting and research himself. All members of the staff may be called upon by any division to step in and assist in a project. For example, many staff members teach in the Training Division. Conflicts resulting from this are ironed out by the Executive Trustee. Since BIMAP is a relatively small organization, the Executive Trustee is involved rather heavily in its day to day operation. In addition to running consulting and research, he exercises general supervision over the other branches. He has no deputy.

Program Operations

From Table 2, one observes that since 1978 the number of course participants has risen from 750 to 1,414, an increase of 88.5 percent. The number of management courses has risen from 40 to 68, an increase of 70 percent. Firms assisted by the Small Business Development Program rose from 25 to 250, an increase of 1,000 percent. Full time employees increased from 15 to 22 for an increase of 46.6 percent. Finally, the budget from 1978 to 1982 more than doubled from \$379,168 to \$928,056, an increase of 143 percent.

In each of these areas there has been significant growth. Only in the number of subscriber firms has there been a decline - from 224 in 1978 to 217 in 1983, 3.0 percent. However, as stated previously, Table 2 presents quantitatively the change in direction which BIMAP has taken - from primarily a subscriber organization to a full-fledged management consulting firm. Management courses, consulting and research, and small business support have become its major focus.

An assessment of BIMAP must include an examination of the training program of the organization. A brief survey of the program offered by BIMAP indicates a variety of offerings both at BIMAP Headquarters as well as external courses and a number of consultancies and small business development courses. These courses have been offered to meet the demands of its clients and their needs as perceived by them and the BIMAP staff.

As previously mentioned, courses have increased from 40 in 1978 to 66 in 1982. Internal courses have ranged from Bookkeeping and Accounts to Management of Human Resources, to Principles of Law, to Statistics. External courses ranged from Supervisory Management to Customer Relations, to Job Evaluation, to Marketing, to Production Management. Moreover, external courses and a few small business courses have been offered in the Cayman Islands, British Virgin Islands, Antigua, St. Kitts, St. Vincent, St. Lucia, Dominica, and Montserrat, beginning as early as 1977.

Receptivity to BIMAP

Examination of the consulting and training program has included sampling the reaction of the participants in two of the islands where BIMAP has worked in order to determine how effective the participants thought the course of study had been and, more important perhaps, how much had been learned and implemented.*

* See Appendix A

TABLE 1
BIMAP MEMBERSHIP

<u>Year</u>	<u>Members</u>	<u>Drops</u>	<u>Adds</u>	<u>Net Change</u>
1982	211	4	15	+11
1981	200	17	18	+1
1980	199	1	2	+1
1979	198	51	25	-26
1978	224	35	14	-21
1977	245	64	8	-26
1976	301	28	20	-8
1975	309	33	44	+11
1974	298	13	69	+56
1973	242	13	108	+95
1972	147			

TABLE 2

MAJOR QUANTITATIVE MEASURES OF PERFORMANCE

BIMAP 1978-1982

	1982	1980	1978	Percentage Change 1978-1982
Total Revenue	\$923,056	\$822,612	\$379,168	143
Course Participants	1,414	1,241	750	88.5
Management Courses	68	55	40	70
Consulting Assignments	10	8	8	25
No. of Small firms assisted	250	115	25	1000
No. of Full-time employees	22	22	15	46.6
No. of Subscribing Firms	217*	199	224	-3.0

*present 1983 Membership

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In an examination of 10 participants selected at random out of a group of 39 on a field visit to St. Kitts where BIMAP had conducted a course for small businessmen, 7 had a very favourable response to the program, 2 had a favourable response, and 1 response was unfavourable. The negative participant headed a large company of 100 employees and should never have been in the program. All 10 participants gave a favourable response to BIMAP locating a branch office in St. Kitts and, surprisingly, all 10 said they would pay something for the course, after asking "how much". In at least 5 cases, individuals presented accounts books that they were now keeping as a result of the course. In one instance the participant had the courage to set up his own business and had become "the best travel agent in town", according to an American Peace Corps Volunteer. With respect to St. Kitts, it is therefore safe to assume that BIMAP would be welcomed.

In a field trip to St. Vincent the response to the BIMAP program was mixed. Of ten persons interviewed, 3 were very positive, 4 were positive, two were negative and one felt her company did not need the program because one of the partners was an accountant. Unlike the St. Kitts program, which was offered in the classroom, the St. Vincent program was offered rather as a discussion on an individual basis with each small businessman involved. This may explain, to some extent, the difference in reaction between St. Kitts and St. Vincent. It may be that the program was handled too informally. Many of those interviewed indicated that they had not felt the discipline of a structured course of study. The result was little implementation of the proposals offered by the BIMAP staff. One would also have to add a certain sensitivity of the Vincentians to a Barbadian institution. This problem could be dealt with by diversifying staff to include other West Indians and even North Americans. Despite these difficulties, the response of these ten persons interviewed was favourable to a BIMAP presence in St. Vincent.

In addition to interviewing students from the other islands, we have observed a sample of classes offered at BIMAP headquarters. Teaching aids have been used, such as hand-outs and films. The flip chart and black board are constantly in use. Moreover the teaching itself has been of top quality. Instructors observed have struck the right balance for the mature student. A sense of humor was present in class and a respectful yet casual relationship was established between student and teacher.

In interviewing training officers and company heads in Barbados, it became immediately apparent that BIMAP has an excellent reputation in its home country. Of 5 men consulted, all 5 had positive comments to make about the capacity of BIMAP to undertake the USAID project.* All felt that the BIMAP staff should be

* See Appendix A

strengthened in both numbers and content areas. They all had respect and support for the Executive Trustee but three indicated that second level support was essential and that the Executive Trustee could use the assistance of a Deputy. Two members would like to see the Advisory Council strengthened to make a greater input into policy making, although as stated earlier, it would appear that the Advisory Council's role is less significant to its operation than it was in earlier years.

Quality of Personnel

Any appraisal of BIMAP's capacity to undertake the project must include an examination of the quality of the personnel in the institution.

As indicated in Table 2 the number of full time employees has risen from 15 in 1978 to 22 in 1982. Professional employees presently number 13, support staff number 9. The 13 person years of professional staff time are assigned as follows: 4 person-years for training, (2 for internal and 2 for external) 5 person years for small business, 3 person years for consulting and one for administration. All professional staff members have significant academic backgrounds and/or extensive practical experience. Two staff members have no academic backgrounds but are superior teachers with significant practical experience from reports of students and faculty alike. The writer observed one of them and found the person to be a master teacher. The other is a known superior teacher with a Caribbean-wide reputation.

Perhaps the best indicator of the quality of its personnel is the calibre of recent personnel hired, presented in Table 3. Of the last five persons hired by BIMAP, 4 in 1981 and one in 1980, 2 had MBA degrees, one from Cornell University and one from St. John's University, and 2 had masters degrees, one from Vanuerbilt University, and one from George Washington University. The diversity of specialization and experience is evident. It ranges from project analysis to economics to training to data processing to tourism. All were Barbadian nationals.

New staff hired have been excellent. However there has been a relatively high turnover in staff. For example in 1981, 4 professional staff members out of 13 resigned, for an attrition rate of 31 percent. This turnover in staff can be laid to the fact that BIMAP functions in a no-man's land between government and the private sector. It neither has the security of government nor the fringe benefits of the private sector. It's salary scale may be

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considered high in relation to government but is considered low in relation to the private sector. Particularly is this true in an inflationary economy where the private sector has greater flexibility to respond by raising salaries, but BIMAP must get approval from a Board of Trustees with representatives of government and workers organizations as well as the private sector. It therefore falls behind and this creates a problem in the retention of staff and the recruitment of staff. Finally the problem is exacerbated by the fact that BIMAP personnel are constantly working with the private sector and subject to being seduced by the offers which are made. A high level of turnover may therefore be attributed to the initial selection of top quality staff rather than a reflection on BIMAP's personnel policies, BIMAP is aware of this situation and is attempting to improve its policies on fringe benefits particularly, to cope with the situation.

Given the project requirement of an increase in the staff of BIMAP, the background of the personnel under consideration by BIMAP for future employment has been examined. Table 4 presents the nationality and educational backgrounds of 9 persons who have been considered for employment at BIMAP. All nine have university degrees, 4 have Masters degrees, 2 have MBA degrees, and one has a Ph.D. If credentials can be considered an indication of quality, BIMAP has certainly access to it.

A wide range of experience is also evident in Table 4. Two candidates have training and training needs assessment experience. Many had some management experience. One has been a senior economist and project analyst. However none has significant high level experience in running a business. Such experience would be helpful in the USAID project. Five of the nine are Barbadian. The four others are as diverse as Ghanaian, American, Antiguan, Trinidadian. BIMAP is aware of its personnel needs, including diversity of nationality, and these needs will be taken into account in new recruitment.

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TABLE 3
LAST FIVE PROFESSIONAL STAFF APPOINTMENTS

<u>BIMAP</u>				
<u>Year Employed</u>	<u>Name</u>	<u>Nationality</u>	<u>Degrees</u>	<u>Speciality</u>
1. 1981	2A	Barbadian	BSc. - UWI M.B.A. Cornell U.	Project Analyst Systems Analyst Computer Trainer
2. 1980	2B	Barbadian	BSc. (Engineering) UWI M.Sc. (Eng. Mgt.) Vanderbilt U.	Production Management
3. 1981	2C	Barbadian	BSc. UWI Accounting	Financial Management Data Processing Economics
4. 1981	2D	Barbadian	B.A. SUNY (Stonybrook) Eco. M.B.A. St. Johns U. N.Y.	Project Analysis Economics Financial Analysis
5. 1981	2E	Barbadian	BSc. UWI (Pub Admin) M.A. (Econ. & Human Devel.) Human Devel.) George Washington U.	Tourism Quantitative Analysis

TABLE 4
APPLICANTS FOR POSITIONS AT BIMAP

<u>Name</u>	<u>Nationality</u>	<u>Educational Qualifications</u>	<u>Experience</u>
3A	Ghanaian	B.Sc. - University of Ghana M.B.A. - Mc Gill University	Auditing, Accounting
3B	Barbadian	B.Sc. - City University, London M.Sc. - Communications	Secretarial, Research
3C	Antiguan	B.A. - University of Western Ontario M.A. - University of Alberta Ph.D. - University of Alberta	City planning, Management
3D	American	B.S. - Education CMSU M.S. - Counselling - CMSU MA.S - Human Relations and Management 1983	Training, Management, Needs Analysis
3E	Barbadian	B.Sc. - UWI, Math and physics	Training needs, Industrial Relations
3F	Trinidadian	B.Sc. - Chemical Engineering M.Sc. - Chemical Engineering and Operations Research	Financial Analyst, Program Analyst
3G	Barbadian	B.A. - (Psychology) Uni- versity of Saskatchewan Diploma - Education B.Ed. University of Saskatchewan M.A. - Psychology Education, University of Saskatchewan	Teaching Management
3H	Barbadian	B.Sc. - St. Johns, Management Studies, UWI	Taxation, Auditing
3I	Barbadian	M.B.A. - School of Business Columbia University	Economics, Project Analysis

Appendix A

Company Directors Interviewed in Barbados

1. Mr. Henry Viera FEB Caribbean Ltd. President,
Barbados Manufacturers
Association
2. Mr. Randall Goddard Group Personnel Director,
Goddard Enterprises, Ltd.
Deputy Chairman, BIMAP Advisory
Council Representative,
Barbados Employers Confederation
3. Senator June Clarke American Life Insurance Company,
Member, BIMAP Advisory Council
Representative, Barbados
Chamber of Commerce
4. Mr. David MacKenzie Charles McEneaney & Co. Ltd.,
Member, BIMAP Board of Trustees
5. Mr. Basil Forbes President, Forbes-craft Rattan
Specialties Ltd., Chairman,
BIMAP Advisory Council

Company Heads Interviewed in St. Kitts

1. Miss Shirley Lewis, Land owner
2. Mr. M. N. Rogers, Singer Company
3. Mr. Tota, Tota's Shackette
4. Mr. Winston Straughn, Modern Printers
5. Mr. Ken Henderson, Trendales
6. Mr. S. Henry, International Business Associates
7. Mr. Lionel Berridge, Travel World
8. Mr. Arthur Jeffers, Metal Products
9. Mr. B. Hawley, Hawley's Grocery and Bakery
10. Mr. Hariani, Sun Island Cotton

Company Heads Interviewed in St. Vincent

1. Mr. Afif Sassine, MARCO Garment Manufacturing Co.
2. Mr. Francis DeCaul, Third World Furniture
3. Mr. Charles Constance, Kicking Hell Shoe Shop
4. Dr. Arthur Cato, Reliance Pharmacy
5. Ms. Mildred Dubin, Tots & Toddlers
6. Ms. June Connell, Chic Hairdressing
7. Ms. Veronica Constantine, Ashanti House of Fashions
8. Mr. Rogers, Rogers Photo Studio
9. Mr. Mark Cumberbatch, Cumberbatch & Sons
10. Mr. McNeil Trotman, Trotman Electronics.

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Financial Analysis

I. REVENUE SOURCES

A. Subscriptions

Corporate membership (subscription) have traditionally been a very important source of revenue for BIMAP as well as a market for potential course participants and consultancy work. On the negative side, as detailed below in Table 3, BIMAP has had a problem in keeping the number of member companies high.

TABLE 3

BIMAP MEMBERSHIP

<u>Year</u>	<u>Members</u>	<u>Drops</u>	<u>Attrition Rate(%)</u>	<u>Adds</u>	<u>Net Change</u>
1982	211	4	2	15	+11
1981	200	17	9	18	+1
1980	199	1	1	2	+1
1979	198	51	23	25	-26
1978	224	35	14	14	-21
1977	245	64	21	8	-26
1976	301	28	9	20	-8
1975	309	33	11	44	+11
1974	298	13	5	69	+56
1973	242	13	9	108	+95
1972	147				

Decline in corporate membership coincides with a past shift in emphasis in BIMAP from private to government consulting services, through other factors, such as the current economic recession, may have been involved. In exchange for government grants and support for building expansion, BIMAP has been placed in a position where the institution must be responsive to government requests for

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technical assistance. The loss in revenue from corporate membership attrition has been to date offset by internal training programs and consulting work. Nonetheless, BIMAP continues to recognize the very real need for corporate membership and is pursuing an aggressive marketing campaign. In addition, rather than continue the long-term consultancy services to government which characterized the past, BIMAP has been moving to more short-term assistance, thereby fulfilling its obligations to government while at the same time allowing the institution to be more generally responsive to corporate member needs.

B. Courses/External Training

The ability of BIMAP to use internal and external training as major sources of revenue has been dependent upon its ability to increase its classroom space and market its services to corporate members. Table 4 depicts the relative changes in the provision of training.

TABLE 4

Department	Category	No. of			
		Courses	Participants		
		1980	1981	1980	1981
Internal	Course in functional areas	34	28	811	727
External	Custom-built in-company	19	30	380	442
Small Business	Specialized and Modular	2	3	50	46
	Total	55	61	1241	1215

The net effect of this has been to move BIMAP into more "in-house" corporate training and to generate approximately \$113,000 in revenues in 1981, or slightly more than 26% of its total revenues. Similarly, external training activities produced \$52,000 in 1981 revenues, approximately 13% of its revenues. However slight the external resources are seen, it represents a 5% growth in this area for 1980 and, further, depicts the very real move to provide greater corporate services.

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C. Consultancy

Consultancy remains a focal point of BIMAP's revenue generating activities. As evidenced by the statement of revenue and expenses, consulting revenues fell by one-third in 1981. The decline is due principally to BIMAP's obligation to provide government with consulting services in exchange for grants and government sponsored building expansion. However, BIMAP's concern with the evolution of this consulting activity was expressed in the following statement from its 1981 annual report:

"In order to provide consulting and advisory services to more member companies, there was shift in emphasis from large multi-year assignments towards assignments of a shorter duration. When this policy is fully implemented it is anticipated that the increase in the number of short term assignments will lead to the generation of revenues at a level comparable with former years".

While private consulting does account for an estimated 20% of consulting revenues, BIMAP could do more if they had the additional staff. Currently, most of the revenue producing consulting work is done with the larger companies.

II. Financial History

BIMAP was founded as a non-profit organization in 1971 under the sponsorship of the Barbados Industrial Development Corporation (IDC) and a number of leaders of the business community. The purpose of BIMAP was to provide management training in order to improve the productivity of industrial, commercial and service enterprises in Barbados.

Effective control over BIMAP could be exercised by the dominant number of ex-officio members of the Board of Trustees from the government sector, including the Chairman of the Board of Trustees who is the Chairman of IDC. Significant private sector influence could be exercised through the election of two of the six members of the Board of Trustees and through the influence of the Advisory Council, composed of representatives of eight private business sector organizations, such as the Manufacturers Association, the Chamber of Commerce, and the Hotel Association.

Effective operating control over BIMAP has been held by the Executive Trustee, appointed by the Board of Trustees and a member of the Board. Mr. Rudy Gibbons, as Executive Trustee since 1975, seems to have developed a high degree of operating independence. Budget estimates are approved by the Board of Trustees and annual financial statements are approved and signed by at least two members of the Board, including historically, both government and private sector representatives.

In return for some government sector support, BIMAP has accepted an obligation to provide, on a fee for service basis, some consulting services to various government agencies, but, otherwise, direct government influence on BIMAP activities seems minimal. After the early years of operation, BIMAP has also operated with apparently declining direct influence of private business enterprises, both through the Advisory Council and their membership in BIMAP. BIMAP has achieved a degree of independence from its private sector membership by developing its own sources of revenue, ultimately dwarfing the contribution made to BIMAP via membership subscriptions.

In summary, BIMAP has evolved into an autonomous non-profit institution devoted to improving productivity in all sectors of Barbadian business, as well as providing consulting services to the government. While BIMAP is not uniquely dependent, operationally or financially upon either sector, it does rely upon the continued support of both sectors, primarily through the purchase of services, but to some extent also through direct and indirect donations.

BIMAP began operation in 1972 with a General Fund of \$12,329* derived almost exclusively from previous membership subscriptions. Membership subscriptions are scaled, with larger members, including some government and international organizations, IDC, Central Bank of Barbados, and the Caribbean Development Bank, paying more than ten times the rate for smaller organizations. Private sector subscriptions are matched by the Government.

The General Fund declined by almost fifty percent to \$5,742 in 1976 (See Table 1), as BIMAP had operating losses over its first five years. The rate of loss was reduced significantly in 1975 and 1976. BIMAP showed a small operating profit, and an increase in the General Fund, in 1976 and has been in the black in all subsequent years. The profit-rate equivalent for a non-profit organization, the rate of expansion of the General Fund, was 17% in 1981 and should be approximately 25% for 1982. This would place BIMAP between the median and the lower quartile values of return on net worth for similar sized management consulting and public relations firms in the U.S., as reported by Dunn and Bradstreet for 1981.

BIMAP's activities since its inception have included offering internal training courses in management in its own classrooms, external training programs conducted in private enterprises, consulting work with private enterprise, the government, and international organizations, and work with small business. A relatively minor source of revenue, but closely related to BIMAP consulting activity, has been the agency fees collected by BIMAP for placing volunteers of the Canadian Executive Service Organization with local Barbadian firms in need of assistance**. BIMAP's revenue picture is presented in Table 2.

One non-revenue producing aspect of BIMAP, the Research Department, was merged with the profit oriented activities of the Consulting Department, in 1977. This decision may be attributed to two factors. Some of the research activity of BIMAP, export market share and industry surveys sent as BIMAP publications to members, came to be provided by the Central Bank. The movement out of free services for members was also undoubtedly influenced by BIMAP's desire to earn an operating profit to sustain the General Fund.

* All values in Barbados dollars unless otherwise indicated.

** BIMAP's financial statements do, as its Peat Marwick Mitchell & Co. auditors report, affirm, present fairly the financial position of BIMAP and the results of its operations. Greater clarity in the revenue statement, however, would be desirable. The source of grant income is not always indicated and the consolidation of income from several distinct activities under consultation fees is less revealing of BIMAP activity than might be desired.

TABLE 1
STATEMENT OF THE GENERAL FUND

<u>Year</u>		<u>General Fund</u>		<u>Profit</u>
1982	(est.)	326,199	(est.)	67,329
1981		258,960		43,405
1980		215,555		42,091
1979		173,464		98,251
1978		75,213		13,102
1977		62,111		6,369
1976		55,742		(4,127)
1975		59,869		(11,726)
1974		71,595		(22,420)
1973		94,015		<u>(7,265)</u>
1972		101,280		(11,049)

Another element of the early BIMAP that was not continued was the "top management" seminar. Several of these were apparently conducted successfully in the first two years of operation, but were not continued later. Rather than a "top management" emphasis, BIMAP came to work much more with small business. The reason for the reorientation, according to BIMAP, was the judgement that once most top managers had been reached it was not profitable either to BIMAP or the managers to hold follow up activities at their level.

Extensive BIMAP involvement in work with small business, the Small Business Development Program (SBDP), was financed by grants from the Inter-American Foundation, with a modest contribution at the end of 1973, but averaging close to \$100,000 in the period 1974-1976, nearly 30% of BIMAP's total budget. A major activity of BIMAP's SBDP staff, (approximately one-third of a 9-11 person total staff) was arranging for guaranteed loans (and additional non-guaranteed loans where possible) made under a \$200,000 U.S. letter of credit provided by the Edna McConnell Clarke Foundation. Both of these small business support sources ended in October 1976, after a two-year extension of the original program.

The Canadian Agency for International Development (CIDA) has also been involved in support of BIMAP's work with small business since 1973 through work in Barbados by the Manitoba Institute of Management (MIM), in part by direct manpower assistance in advising small business, but primarily through work with BIMAP in the development of "management aids" books for small business consulting. This work by BIMAP with MIM was paid for by a grant of \$80,000 in 1979, but was consolidated with consulting revenue in 1980-81.

Outside financial support of BIMAP's small business activity work since 1976 has been very modest. A minor grant of \$35,000 was provided by the European Development Fund for the development of "modular" small business courses in 1978, but, otherwise, little but the indirect MIM support has been available.

Yet BIMAP continued to devote about a third of its staff to a largely unprofitable activity, even after outside financial support was withdrawn. As early as 1974 BIMAP sought assistance from the MIM in "weaning" small business clients from their free services under the SBDP into the fee for service Consulting Department. Small businesses do pay a modest amount for their assistance, but these revenues are consolidated in general consulting revenue, and thus not directly determinable. The Executive Trustee of BIMAP has indicated that the small business program will cover its costs by 1985, either through reduced free

services or higher fees. "Free" services would then only be offered as an initial service marketing device.

BIMAP has been able to support its SBDP and expand its General Fund through profits on its other activities, primarily internal training (courses offered in BIMAP classrooms) and consulting. BIMAP also states that, if necessary, they could request (and would receive) subsidies from government to maintain this program in addition, the number of participants in BIMAP's internal management training program has approximately tripled since 1972. (For data on the internal training program see Table 3). Since 1976 BIMAP has offered a diploma for 630 classroom and research hours in a part-time study program taught in the evening, and more recently in the late afternoon and on Saturday.

The current average class size of 26 approaches room capacity and a number of courses are filled to capacity. Current course fees are \$330 per student (looks provided by BIMAP) with a \$30 discount for students from member companies. Fee increases in the past (revenue per participant has tripled since 1972) have not resulted in declines in student enrollment. The apparently inelastic demand for internal management training services of BIMAP indicates the high value placed on BIMAP services by its students, and suggests that further fee increases would yield substantial additional revenue, should BIMAP have a need for such support.

The internal training courses have been a major source of net revenue to BIMAP, contributing approximately one fourth of the total revenue net of direct costs (BIMAP does not keep cost accounting records. Staff members function in more than one division, so these values could only be estimated.) The reason for this large net contribution of the internal training division is that its courses have been taught primarily by part-time staff who are paid only one fourth of the revenue generated by the course.

The ability of BIMAP to offer an expanded internal training program depended upon its ability to increase its classroom space. BIMAP initially operated out of rented space. In 1973 BIMAP bought its own two-room training center for \$20,000 and in 1975 BIMAP moved into much larger quarters, 7,500 square feet of classroom and offices, in a building constructed adjacent to the old training center situated on land leased from IDC for twenty years at the modest annual amount of \$4,724. The ultimate ownership of the building remained in discussion for the following five years, with BIMAP reporting the building as a fixed asset (not being depreciated), while simultaneously indicating a matching contingent liability to IDC. Finally, in 1981, the building was taken by IDC,

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and the contingent liability discharged, but not completely, since BIMAP and IDC had valued the building differently, with BIMAP's evaluation exceeding that of IDC by \$9,663. That will make for an untidy balance sheet until the disagreement is settled, but it seems that BIMAP will be under no obligation to pay for the use of the IDC building.

An additional wing with 4,500 square feet was added to the IDC building in 1982. The value of the new building is approximately \$900,000. It was financed by a World Bank loan through the Ministry of Education. BIMAP states that it holds ownership of the building, and therefore, has no obligation for rental payment. The Ministry of Education provided a one-time grant of \$100,000 to BIMAP in 1982 to furnish the new wing.

In 1976 public consulting projects were mentioned for the first time in BIMAP's annual report. After 1978, few projects other than public projects were reported. BIMAP did work for international organizations as well as for various ministries of the government. BIMAP consulting activity with the government involved such basic activities as the preparation of GDP estimates, as well as several long-term projects in such areas as manpower analysis and tourist expenditure surveys.

BIMAP's consulting revenue more than tripled between 1978 and 1979, and increased by one third again in 1980. Consulting revenue accounted for 49 percent of total revenue in 1980, compared to only nine percent in 1975.

In 1981 consulting revenue fell by one-third. In 1982 consulting revenue increased slightly, but its share in total revenue declined slightly as other revenue sources expanded more rapidly. BIMAP's concern with the evolution of its consulting activity was expressed in the following statement from its 1981 annual report.

"In order to provide consulting and advisory services to more member companies, there was shift in emphasis from large multi-year assignments towards assignments of a shorter duration. When this policy is fully implemented it is anticipated that the increase in the number of short term assignments will lead to the generation of revenue at a level comparable with former years."

TABLE 3

INTERNAL TRAINING

<u>Year</u>	<u>Participants</u>	<u>Courses</u>	<u>Revenue (000's)</u>	<u>Participants Courses</u>	<u>Revenue Participants</u>	<u>Revenue Courses</u>
1982 (est)	907	34	260	27	286	7,638
1981	727	28	226	26	311	8,071
1980	811	34	217	24	267	6,374
1979	529	26	160	20	303	6,166
1978	461	N/A	92	N/A	201	N/A
1977	422	20	87	21	206	4,351
1976	364	19	68	19	187	3,588
1975	460	21	75	22	162	3,567
1974	444	24	74	19	167	3,096
1973	337	20	54	17	159	2,681
1972	306	16	34	19	112	2,133

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BIMAP did have a valid concern with providing more membership services. It had a membership problem, as the number of member companies declined by one-third between 1976 and 1979, from 301 to 198. (See Table 4 for detail on the evolution of BIMAP membership.) This membership problem coincides in time with the shifting emphasis in BIMAP from private to government consulting services, though other factors may have been involved, such as the normal attrition of members joining a new organization and simply difficult economic times.*

The annual reports of BIMAP over this time did express a concern with membership. Membership levels were stabilized in 1980 and expanded slightly in 1981 and 1982. In 1981 a Corporate Affairs person was added to BIMAP's staff to work at least half of the year in corporate relations and recruiting.

A. Staff and Staff Wages

Staff and staff wages, of course, are the major input for an organization such as BIMAP (given that the building used by BIMAP, though not its maintenance, is provided free). The total wage bill of BIMAP, (full-time professional, part-time, and support) has averaged about 75 percent of total expenses over the last five years.**

It is not possible to evaluate accurately the adequacy of wage rates offered in BIMAP. The lack of an accepted CPI for Barbados makes a calculation of real wage trends impossible. The support staff attrition rate has been quite low over time, suggesting that adequate wages are paid and/or that the semi-skilled labor market in Barbados is not very tight. The professional staff attrition rate has been somewhat higher, (See Table 6). Nonetheless, BIMAP has been able to maintain a fairly high average number of staff years of experience, approximately three years in 1982.

* The sectoral distribution of BIMAP membership, as between commercial, service and manufacturing sectors, has been roughly stable over time at about 30 percent each. The hotel sector, which accounted for 14 percent of BIMAP membership in 1972 has largely withdrawn, with only the Hilton and Holiday Inn retaining membership. This may reflect cultural differences between hotel owners and BIMAP staff as well as particular difficulties in providing hotel management training.

** Other expense items are relatively unimportant. Their evolution over time showed only a minor amount of unexpected variation and does not merit detailed discussion.

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Full-time professional staff wages have been estimated at \$39,000 in 1982. This seems to be low for similarly qualified people in the private sector or with other public organizations in Barbados, such as the Caribbean Development Bank where non-Barbadian staff do not pay income tax. It is certainly very low by international standards, a market in which well qualified managerial personnel can compete, unlike less skilled workers who are limited to a segmented national labor market.

TABLE 5
EXTERNAL TRAINING

<u>Year</u>	<u>Participants</u>	<u>Courses</u>	<u>Revenue (000's)</u>	<u>Participants Courses</u>	<u>Revenue Participants</u>	<u>Revenue Courses</u>
1982(est)	507	34	118	15	233	3,479
1981	442	30	105	15	247	3,488
1980	380	19	70	20	184	3,675
1979	379	21	55	18	145	2,613
1978	289	N/A	45	N/A	156	N/A
1976	222	12	29	19	131	2,432
1976	190	10	18	19	97	1,843
1975	N/A	9	9	N/A	N/A	1,000

TABLE 6
PROFESSIONAL STAFF ATTRITION

<u>Year</u>	<u>Staff</u>	<u>Resignation</u>	<u>Attrition Rate(%)</u>
1982			
1981	13	4	31
1980	13	1	8
1979	12	3	38
1978	8	1	11
1977	9	2	22
1976	9	1	11
1975	10	2	20

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The BIMAP professional staff seem to have accepted a national and institution-specific lower wage structure. Acquisition of additional staff on similar terms, to replace staff lost by attrition and to expand BIMAP activities, is apparently difficult. This difficulty is enhanced by an evident BIMAP concern to maintain the high professional quality of its staff, and through this BIMAP's professional reputation in Barbados. Some evidence of BIMAP conservatism in expanding its activities can be seen in its approach to offering services outside of Barbados.

In recent years, BIMAP has been able to find a few clients outside of Barbados able to pay, ranging as far as Belize and the Cayman Islands. In 1981 CIDA grant support was obtained for BIMAP work with small business in eight Caribbean countries. Surveys of some of the clients of BIMAP in St. Kitts, St. Lucia and St. Vincent by members of the AID PP team have indicated a generally favorable reception, and that the clients would have been willing to make some payment for the services received. Thus the proposed AID project of support for the expansion of BIMAP operations to eleven Caribbean countries is consistent with BIMAP's expressed interest and growing experience.

The financial data presented above clearly indicate the direction in which BIMAP has moved. It has become more and more self-supporting each year, which bodes well for a project if USAID would like to gradually bow out and have the host institution take over and become completely self-supporting. BIMAP has given every indication that this is what it has done, wants to do, and will do.

TABLE 5
COMPARATIVE REVENUE STATEMENT

	<u>1978-1982</u>			
	<u>1982</u>	<u>1980</u>	<u>1978</u>	<u>1972</u>
Subscriptions	123,750	125,613	115,253	58,284
Grants & Donations	101,095	-	31,270	-
Courses & Seminar Fees	259,691	216,726	92,940	35,625
Consultation Fees	282,145	403,682	85,927	3,180
External Training Fees	118,280	69,820	45,000	120
Agency Fees	11,558	1,874	3,137	500
Other	6,216	822	5,937	-
Interest	18,321	4,050	214	4,496
Gain on Sale of Fixed Assets	<u>2,000</u>	<u>25</u>	<u>-</u>	<u>-</u>
	923,056	822,612	379,166	102,205

Relevant Experience with Similar Projects

Until recently, RDO/C training programs focused almost entirely on the public sector. The predecessor RDT-I had two components -- a grant to the Organization of East Caribbean States (OECS) to design and implement a public services training program and a grant to the CARICOM Secretariat to implement a general training program.

The OECS Public Services Training Program is an on-going and parallel training project which attempts to address the almost total lack of public services training in the seven OECS countries by establishing in that sub-region an institutional capability to deliver basic training in management, supervision and related skills. Training for the Senior Public Service levels, which requires that the trainers possess considerable technical, managerial and training skills, is to be conducted as a common service. However, training for the relatively large numbers of middle and lower level employees which could not be efficiently conducted in this manner is seen to require the development of an increased territorial training capability. The OECS Secretariat's regional training specialists who will provide training as a common service at the top management level will also act as a pool of experts - training trainers, designing and testing courses and providing intensive technical assistance - for training employees at lower levels of the public service hierarchy.

The CARICOM component has provided short and long term individual training grants both in the U.S. and in the Caribbean and in both managerial and technical areas. It has also provided regional special focus seminars for both the private and public sectors and island specific seminars for small businesses.

Although individual training grants were also available to the private sector, none have been put forward by the training officers of the governments participating in the Project and the USAID grantee institution which manages the Project, the CARICOM Secretariat, has not actively promulgated this aspect. However, the individual training grants have been well received by governments and participants alike and many of the short courses in the U.S., e.g. port, customs and tax administration, have been very popular.

Regional special focus seminars for the public service have tended to be too general and to involve as participants people with too widely diverse interests. Based on this experience future seminars of this type will have to be carefully designed.

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Regional seminars for the private sector are behind schedule but this year CARICOM developed an arrangement with the Caribbean Association of Industry and Commerce (CAIC) to implement this activity and it is anticipated that an accelerated schedule will enable these seminars to meet their targets. CAIC is aware that for these seminars to be useful they will have to be geared to specific problems and needs of the private sector.

Island specific seminars for the private sector have been conducted for small businesses, have been very basic; e.g. how to obtain credit, keep accounts and maintain inventory control, and have been highly successful. As of this year, CAIC is also assisting CARICOM with some of these.

Besides KDT-I under CARICOM, the Mission supports a training component under the USAID funded Private Sector Assistance project with CAIC in which, in addition to those it is coordinating with CARICOM, CAIC offers seminars and short courses for businessmen and manufacturers on both a regional and island specific basis. In its training work, CAIC functions primarily as a catalyst. For the most part seminars and short courses are undertaken through contracts with other organizations such as BIMAP, consulting firms or with individual specialists. An organization such as CAIC, which is not an educational/training institution such as BIMAP and has many functions to perform not related to training, can be of greatest service in the training area by continuing its role of broker, drawing on outside resources to meet identified training needs.

Other donor training activities are summarized below.

Canada

This program provides approximately 250 awards (100 new and 150 renewals) each year. This enables persons from seven designated Leeward and Windward Islands to obtain training, mostly at the certificate and diploma level but in some cases towards a university degree. About 10% of the students use Canadian training institutions, as their areas of study are not available in the Caribbean. Recently Canada has added a small private sector training component where they determine a need in a functional area; e.g. accounting, and send a number of persons to Caribbean institutions for short training in these fields.

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Caribbean Development Bank

The Caribbean Development Bank (CDB) presently administers two programs, a student loan program and a program which trains people in project administration. The Eastern Caribbean Student Loan Program, financed by CDB and administered by the Development Finance Corporation (DFC) within each country, provides student loans of up to \$2000 per year for a maximum of three years. Ten countries are involved with 18 outstanding loans totalling \$3 million with four additional applications pending. Theoretically, the DFC's require personal guarantees to back up the loans, but in practice CDB suggests that this is done somewhat loosely, and certainly does not prevent students from securing loans. A major problem is the escalating costs of education without parallel salary increases in the LDC's making it impossible for many graduates to earn enough to service their loans. The result is a high rate of default and an incentive for graduates to emigrate to countries with the higher salaries needed for loan repayment. Also the loans are becoming inadequate to pay the total costs of education.

Administratively, CDB carries out its role with one part-time administrator, but they are upgrading this to a full-time position. Since the DFC's actually execute the loans to individuals, their role is critical within the country. Some DFC's have student loan officers, sometimes with subcommittees to advise on student selection, but the actual operation of the DFC's are widely variable, tending to shift from efficiency to inefficiency according to the person in charge at a particular moment in time.

As of September 1, 1980, a Project Administration Training Unit (PATU) was established within CDB. The cost is estimated at 1,300,000 for EUA three years shared among IDB, EDF, and CDB. The intent of the program is to train personnel at the upper and middle levels of the public services of Banks borrowing member countries. To accomplish this, PATU organizes training courses, seminars and workshops for higher, intermediate and operational level public service personnel involved in the preparation and management of development projects in the region. Courses are of three types: higher level lasting ten weeks; intermediate courses of three weeks; and specialized short term courses. The program of training is expected to cover a three year period and will benefit approximately 1000 persons at the higher and intermediate levels and an additional 1200 persons who will be involved in workshops and seminars. As this program is just beginning, no information is available on its effectiveness.

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With reference to manpower needs in the region, the loan program is not specifically geared to manpower planning as loans are available in all sectors at the request of students. PATU is an attempt to address the problem of project administration and financial control and as such is a response to a felt need for more competent personnel in this specific sector. The approach by PATU of identifying a specific need and then concentrating on a training response is considered commendable. It will require further study, however, to assess whether the response can be effectively implemented.

European Economic Community (EEC)

The European Economic Community is a relatively new entrant into the training area. This present program is perhaps the simplest of all programs. They make available to each Leeward and Windward country one million dollars in local currency for long-term and short-term training. Furthermore, EEC has allocated \$75 million U.S. to projects in the Caribbean region and there is \$5 million dollars earmarked for training.

Administratively, the EEC Caribbean administrator is simply a conduit to Geneva for the access of funds. Countries submit requests which are forwarded to Geneva for budget approval. The major problem with the program has been that countries have been unable to internally agree upon their needs and plans and thus have not used all the money available. The EEC views this as a short term problem which will be overcome when the countries become familiar with the project. With regard to long term training, scholarship recipients are limited to Universities in EEC countries or organizations associated with the Caribbean/Africa part signed by EEC.

To date the EEC has not been preoccupied with issues surrounding manpower planning and training. In general, the philosophy they hold is that education and training in most areas is a good investment. They plan to continue to fund both long and short-term training in the future at the present level.

The British Development Division (BDD)

The BDD presently administers funds for general educational training and specific project training. The general education training is carried out under a project called the U.K.

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West Indies Scholarship and Training Program (WISTS). It includes all of the Associated States, Dependent States and Anguilla. The priority for the program is to find degree courses at UWI for students from the Leeward and Windward islands. The selection of students has two data components. First, governments attempt to develop a set of priority job categories for training. Second, the BDD looks at the manpower needs associated with its capital projects. Both sets of information are integrated by the BDD training officer to form an offer to the government which then is further refined.

Using their normal budget cycle of three years, BDD spends approximately \$400,000 U.S. on training for each Leeward and Windward island. The money is used to pay course fees, living expenses and round trip airfares. The money goes into a country account from which the state can draw its money when appropriately applied for. Thus, it is the states responsibility to distribute the funds. This has caused many administrative problems for BDD, the students, and the countries. BDD insures that the absolute number of dollar commitment to this program has remained stable and will continue to remain stable, indicating a real decrease in the number of Scholarships available.

With reference to manpower needs and planning, BDD has not had a manpower expert on staff since 1977 and does not plan to include one in the near future. The British government does give technical assistance on request to help nations develop their national plans, e.g. St. Lucia. No regional studies are presently underway.

TRAINING NEEDS IN THE EASTERN CARIBBEAN

This report is based on a series of interviews conducted between October 25th and November 25th, 1982. Government officials, private employers, chambers of commerce, manufacturers associations, small business associations, employers associations and the managers of parastatal organizations were contacted in Antigua, Dominica, St. Lucia, St. Vincent, and Barbados, and additional information was provided by one of the project team who was particularly knowledgeable about St. Kitts and Nevis. Obviously, the interviews were selective and not all associations were contacted on each island, and only a small number of businessmen or manufacturers could be seen in each territory. Government officials interviewed were those knowledgeable about training needs, such as the training officers, those engaged in development promotion, or those in charge of major infrastructural activities such as public works ministries. A list of those interviewed is attached to this report.

The interviews were scheduled and conducted with a particular bias. The "quick and dirty" needs analysis was designed to focus on those enterprises or organizations that show promise of significant impact on economic development in each island, that is, on those that are critical to the growth sectors of the economies. Government and parastatal organizations selected were those whose activities provide services or infrastructure essential to successful private development, such as utilities, roads, tourism promotion, export promotion, and development planning and financing. For each island, a quick assessment of development potential was made, based on numerous documents made available to the survey team and on discussions with business and government leaders.

Given the small size of business and manufacturing activities in all the islands, improvements in organizational performance brought about through training should be readily visible and measurable in increased viability, profitability, and productivity. As private enterprises grow and prosper, not only do they generate new employment and new and higher levels of output, they promote the development of service organizations and related enterprises that provide parts and maintenance. Thus the economy builds upon success. The training project itself should be so designed and so conducted as to build upon success.

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General Findings

Although each island has its own distinctive needs in the training field, certain common needs and concerns were readily identifiable. These have been taken strongly into account in project design.

In-House and On-the-Job Focus

Virtually without exception, businessmen and manufacturers interviewed, including the managers of parastatal organizations in the utility field, want training to be done in-house and on-the-job. Reasons are several: 1) training conducted in this mode is operationally specific and therefore directly relevant; 2) employees cannot be spared from the job for outside courses, particularly when conducted at distant locations or on other islands; 3) consultation as well as training is needed, and the two should go hand in hand; 4) it is widely believed that seminars and training courses of the classroom type are of little value and, indeed, are a waste of time. Exceptions to the latter point are made when a course is very specifically job-related and conducted with homogeneous groups.

Individual Training Grants

In many organizations, particularly the parastatals, it is recognized that certain key personnel need specialized technical training that cannot be acquired on the job or by attending a short course. In such cases, which need to be carefully identified and justified, training is best done by sending the individual abroad for a special course or even for acquisition of a diploma or degree, or attach the individual for an appropriate period of time to a more sophisticated organization where the knowledge or skill can be acquired on the job. In this case, selection of the appropriate organization is critical; for attachments to be successful the individual must be integrated into the work situation and given sufficient attention to learn the skill or subject matter, and at the same time the organization must be at an appropriate level of sophistication relative to the needs of the trainee.

Business enterprises can spare a few individuals for long-term training in some circumstances, but most small

enterprises do not have the personnel to spare and therefore prefer short-term highly specific skills training for certain key employees.

Middle-Level Management Training

There is very wide recognition of need for middle-level management training for individuals who direct the principal specialized activities of organizations, such as production, marketing, finance, or customer relations. Courses or seminars which deal with management theory are viewed skeptically, however. In-house, organization development training/consulting is a preferred mode for providing this type of training. This mode also has the advantage of involving top managers and lower-level supervisors as well, if properly conducted.

Supervisory Training

There appears to be a great dearth of effective supervisors and foremen throughout the islands. People tend to get put into these jobs on the basis of the skills they have demonstrated or because they have been around a long time. Many are felt by the top managers to be untrainable. Whether trainable or not, many exhibit great reluctance to exercise authority over their former co-workers or to maintain any work discipline involving them. In any case, courses in supervision are less likely to solve the problem than an in-house organization development intervention, accompanied by a review on the part of management of supervisor selection policy and practices.

Worker Attitudes

Certainly the most commonly expressed need on the part of businessmen and manufacturers, as well as managers of parastatal organizations, was for a change in worker attitudes. The problem is manifest in absenteeism, tardiness, inattention to duty, abuse of equipment, sullenness, mistreatment of customers, and a lack of interest in self-improvement or advancement. The work ethic is lamentably weak and is compounded by a feeling that providing service is an act of servitude. The reasons for such attitudes are deeply rooted in history and culture, a dislike for authority, and a climate that is less than stimulating. Training is unlikely to have much impact on attitudes of this sort, for they are acquired at an

early age and are perpetuated by a variety of cultural factors. A very enlightened form of management will likely help in certain instances, and this can be encouraged by organization development interventions. The matter needs to be thoroughly researched, not from the standpoint of identifying causes, but rather in an effort to devise strategies for bringing about change.

Special Topics

A study of accounting needs conducted in 1976 for the Canadian International Development Agency revealed a widespread shortfall in trained accountants throughout the islands. The current survey reveals that this need still exists and extends throughout the area of financial management generally. It seems that many businessmen and manufacturers, including those in Barbados, moved from the role of skilled craftsmen to that of entrepreneur with little or no knowledge of management or finance, and often without a realization of the importance of these matters. New entrepreneurs think they have a successful business in January because they are producing a product for which they have orders, but by September they are out of business because they did not understand how to manage their finances. Apparently this is an often-repeated pattern. Training of small businessmen and manufacturers in accounting and financial management is badly needed throughout the islands. In Barbados, at least, help is available from the Barbados Institute of Management and Productivity (BIMAP), and many are taking advantage of it.

Another commonly expressed need is in the area of marketing. New enterprises as well as old ones are seeking markets abroad, often outside the Caribbean area, but few firms have the necessary knowledge and marketing skills. Two types of assistance can be provided to meet this need. The first is to give individual training grants to key personnel for study of marketing practices abroad. The second is to organize intensive short courses for marketing personnel in certain industries. The courses should be industry specific and not simply general courses in marketing.

SELECTED COMPANY PROFILES

Dan Dan Garments, Ltd., St. Kitts

This firm is a subsidiary of a locally owned conglomerate, TDC, Inc.

History

The firm is six years old and is engaged in the production of jeans, although it started with quilts, bedsheets, and patchwork items. The initial quality was so poor that the market dried up, hence the switch to jeans. The jeans are being sold in Trinidad as the principal market since 1979. American denim cannot be imported to Trinidad without a very high duty, but Dan Dan can import it to St. Kitts duty free, convert it to jeans, and sell them in Trinidad duty free. Current sales are about EC\$2 million a year.

The firm is breaking even financially, but made a profit in 1976-78. Longer runs are needed as well as diversification of the product mix, a costly process. There are plans to set up a plant in Nevis to make T-shirts and dress shirts. The value of the present plant and equipment is EC\$1.2 million. Accounting is performed for Dan Dan by the parent company, which provides monthly financial reports.

Personnel

Dan Dan employs 52 machine operators, 13 other operators of floor equipment, 6 cutting and bundling people, 7 floor supervisors, 4 stockkeepers, 4 maintenance people, and 3 administrators. The current employee turnover rate is 60-70 percent a year.

The present manager is a patternmaker by skill, but supervises all activities, does the marketing and sales, including the necessary travel. There is no assistant manager despite efforts to train one. Owners assert that manufacturing is a low status activity, and potential managers prefer to enter banking or government service.

The line supervisors are persons who were formally stitchers. They make poor supervisors because of inability to maintain discipline over former associates, and also because of a lack of total system awareness. Quotas are assigned to workers who operate under a group incentive system. The workers perform at about 60-70 percent of international standards.

Problems

A major problem is control of raw materials. Often when 700 out of 1,000 yards of denim are cut, considerably less than 300 yards remain. It is not believed to be a theft problem, but one of poor stock control and heavy losses in cutting. Inventory and stock control are computerized, but the capacity of the machine is far too small.

In addition to development of better inventory control system, problems to be addressed include supervisor training, selection and training of an assistant manager, improvement in stitching and cutting garments (a technology problem), and raising the level of productivity through better motivation, discipline, and control of material losses.

Caribelle Batik, St. Kitts

History

Caribelle Batik is six years old. It is a company owned by two men, both from the United Kingdom. One heads the plant in St. Kitts and the other a plant in St. Lucia. The plants manufacture a variety of garments, wall hangings, and pictures by use of the wax and dye method common to batik production. Designs are hand created and material used is mostly sea-island cotton.

The co-owner in St. Kitts does much of the design work, but he also has a woman designer from Barbados. The co-owner in St. Lucia, in addition to managing the plant there, does most of the marketing. Outlets are in Barbados and St. Vincent for the St. Lucia plant, whereas the output of the St. Kitts plant is marketed mostly in the Leeward Islands. There is no import duty on raw materials, but there is a consumption tax on sales in St. Kitts-Nevis and some other places.

Experience has demonstrated that separate sales shops perform better than units of general merchandise stores where products are marketed along with other kinds of cloth items. Between 70-80 percent of sales are from Christmas to Easter.

The St. Kitts co-owner asserts that the firm is doing well and "nets" over EC\$ 1 million a year based on a turnover of EC\$600,000 in raw material stock a year. Inquiry led to the conclusion that personal and organization funds are essentially the same, a hazardous financial practice.

Personnel

Sixty people, mostly women, are employed in the St. Kitts plant, and the plant in St. Lucia is of similar size. Designing, waxing, and applying dyes are all hand processes, making labor the highest cost component. The payroll in St. Kitts is over EC\$ 1,000 a day. In addition to the owner-designer, there is another designer, a general manager, and 5 supervisors. It takes a year to train a worker to a good performance level. The owner reports little or no worker turnover despite very crowded working conditions.

Problems

There appear to be three areas in which help is needed. One is a need, not fully recognized by the co-owner, for better financial management. A second need is for new marketing ideas, one of which might be a shop on cruise ships. The third problem area is less manageable: competition from machine manufactured products produced in the Far East from pirated designs. The stolen designs are computerized for machine manufacture, and labor costs are therefore minimal. A technique is needed that will distinguish hand-made products from machine-made and the genuine article from a copy.

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Marcko, A garment plant in St. Vincent

History

This locally-owned garment plant makes all kinds of women's and children's garments and sells in the local market. The owner is of Lebanese origin, and some of marketing is done through stores owned by relatives. The firm has been in business for a number of years, employs twenty women as cutters and stitchers, and has a production system employing thirty machines. The owners wife engages in selling the goods produced. Fabrics are imported from Europe primarily. The gross sales are around EC\$ 700,000 annually.

Personnel

This is essentially an owner-managed operation. There is no assistance manager. An accountant keeps the books, working every Sunday morning. The lack of supervisors or an assistant forces the owner to close down the plant while he personally goes to town to clear the imported raw materials through customs.

Problems

The business is short of capital and cannot expand. To get loans, even for purchase of raw materials, the owner must mortgage some land he owns. Because expansion is seen as impossible, large orders are turned down. Management style is not conducive to expansion or development of assistant manager.

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St. Vincent Electricity Services, Ltd. St. Vincent electric utility company.

History

The St. Vincent Electric Services, Ltd., appears to be one of the better managed utility services among the Eastern Caribbean LDCs. Although a private enterprise, the Government of St. Vincent is part owner, and there have been strong indications that the organization may be taken over completely and converted to a public enterprise. Should this occur, two important negative consequences may ensue. The first is the replacement of managerial personnel with political appointees who lack technical and managerial skills. The second is application of government salary schedules to all positions in the organization with the consequence that technical people, particularly engineers, would be badly underpaid and would likely leave the enterprise. It would then be necessary to employ expatriot engineers under contract or have them supplied by CFTC assistance.

Personnel

Training is a key concern of the St. Vincent Electricity Services management. Attached is a personnel training schedule for 1983, with indications of the variety of skills for which training is needed and the probable source of such training. Several aspects of this program fall directly within the project program: BIMAP training in St. Vincent and BIMAP placement of two or three of the proposed participants in programs in the United States. Also to be noted is the desire to bring a specialist from the National Rural Electric Cooperative Association in the United States for consulting and conduct of an in-house seminar. This could also be done under the BIMAP program.

Problems

In addition to the potential complete nationalization of the enterprise, there is a continuing problem of employing and keeping technical personnel, particularly engineering and managerial personnel. There is no one really prepared to be assistant manager for lack of engineering knowledge and practice.

A very real problem is one common in the region, the line losses owing to illegal connections, tampering with meters, etc.

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TABLE1983 STAFF TRAINING PROGRAMME

Position	Type of Training	Duration	Starting Date	Location	Estimated Cost 1983 EC\$	Remarks
1. Craft Apprentices (6)	Electrical & mechanical crafts	2 years	January 1983	St. Vincent Technical College & job attachments	39,300	6 apprentices selected for training.
2. -	Study of training needs for generating station staff	2 weeks	mid-March	Local	8,000	Expect to use a Crown Agents Trainer for the study.
3. Linemen (6)	Upgrading skills	2 weeks	February	Local	4,500	Training to be conducted by Linemen Trainer.
4. Manager	International procurement & contract negotiation	26 days	21st March 1983	Washington U.S.A.	25,000	Conducted by International Law Institute, Washington D.C.
5. Office Staff	Computer appreciation	2 days	mid-February	Local	1,000	To be done by SP: Inc. of Canada.
6. Safety Officer	Safety regulations & enforcement	4 weeks	May	Trinidad & Tobago (tentatively)	8,000	

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Position	Type of Training	Duration	Starting Date	Location	Estimated Cost 1983 EC\$	Remarks
7. Supervisors (3)	General Supervisory	2 weeks	June	Local	9,600	BIMAP programme
8. Office Staff	Customer relations	5 days	June	Local	10,000	NRECA Staff
9. Accounting Staff	Accountancy Institution Courses	-	Ongoing	Correspondence	2,000	This is for assisting staff who have enrolled in approved courses.
10. Diesel Fitters (2)	Industrial Diesel engine maintenance	12 weeks	July	-	47,000	Training to be provided by supplier of new diesel generator.
11. Trainee Engineers (2)	Advanced power stations operations & systems training	18 weeks	July	UK	93,500	BEI training modules
12. Assistant Transmission & Distribution Engineer	Overhead line design planning & construction	12 weeks	July	UK	35,000	British Area Board attachment.
13. Various Station Staff	Basic Technical	6 months	June	Local	5,000	Evening classes at Technical College.
14. Electricians (4)	Switchgear & alternator maintenance	3 weeks	August	Local	15,000	To be conducted by a manufacturer engineer.
15. Secretary	Advanced Secretarial Courses	8 weeks	July	Barbados	3,500	Barbados Community College.

Position	Type of Training	Duration	Starting Date	Location	Estimated Cost 1983 EC\$	Remarks
16. Mechanics (5)	Automotive maintenance	4 weeks	August	Local	5,000	
17. Assistant Engineers (2)	General Management	2 weeks	October	Local	3,600	Follow up an earlier programme. BMAP.
					<u>315,000</u>	

1983 TRAINING PROGRAMME

I enclose a schedule showing the training events planned by Vinlec during the 1983 operating year.

Please note that this does not include long term training of professional staff as we cannot afford to finance such training. In this respect we must depend on Government's assistance and we hereby request such assistance in providing a full scholarship for Assistant Generation Engineer, Mr Earl Regisford, to do a Mechanical Engineering degree at UWI, St. Augustine, beginning from the September 1983 academic year.

The position of Generation Engineer has been vacant at Vinlec since June 1982. No suitable local candidate has applied. We are faced with a large volume of highly technical work during 1983 and for at least the next 5 years, necessitating the hiring of a non-Vincentian engineer on fixed term contract during this year. If Mr. Regisford can complete his BSc by 1986, then this qualification plus his years of experience with us should make him a suitable successor to an expatriate who may be finishing a contract at approximately the same time. Even if we had a Vincentian Generation Engineer we would still put Mr Regisford forward for a scholarship because the department is below strength in engineers and provision must be made for future turn over of staff. Mr. Regisford has already gained admittance to UWI.

The 1983 programme is larger than an average annual training budget. Some comments follow on the unusual items which are included this year.

Item 2: We feel that generating station staff need more than routine on-the-job instruction. This will be an attempt to define training requirements for such staff and either identify suitable existing training courses or arrange custom tailored courses.

Item 4: This is a unique training opportunity which is very timely in that it comes just prior to the 1983/84 diesel generator purchase and the extensive hydro development programme now being designed by consultants.

Item 6: This is intended to give the Company's safety officer a good grounding for his responsibility in looking after employee safety.

Cont'd.....

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Service Commissions Department
Kingstown.

17th January, 1983.

- Item 8: Customer relations training per se has never been done at Vinlec with the result that not all customer complaints are handled efficiently and amicably. The intention is to use a customer relations specialist from the National Rural Electric Co-operative Association (NRECA) of the USA to do an in house seminar with our staff.
- Item 10: Provision is made here to give two diesel fitters thorough instruction in the operation and maintenance of the new diesel generator being installed this year. The training will be done by the generator manufacturers at their works. Funding is provided in the CDB loan for the project.
- Item 11: Two graduate engineering trainees will be sent to the UK to attend a series of modules offered by British Electricity International Ltd as part of their programme for overseas technical engineers. The modules will cover power plant protection, distribution plant and equipment, system operation, metering, line construction and underground cabling.
- Item 12: This is a development course for a member of staff with on-the-job field experience, who will undergo a structured course in overhead line planning, design, and construction while on attachment to a British Electricity Area Board.
- Item 14: This will provide detailed instruction for maintenance staff responsible for electrical machinery maintenance. Instruction will be given by a switchgear and instrumentation engineer from Brush Machines Ltd of the U.K.

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

LAC/DR-IEE-83-12
JAN. 1 1983

ENVIRONMENTAL THRESHOLD DECISION

Project Location : Caribbean Regional

Project Title and Number : Regional Development Training II
538-0087

Funding : FY 83 - \$5.0 million - Grant

Life of Project : Four years

IEE Prepared by : Arthur L. Warman
Chief, Private Sector Division

Recommended Threshold Decision : Negative Determination

Bureau Threshold Decision : Concurrence with recommendation

Action : Copy to William B. Wheeler, Director
USAID/Barbados
: Copy to Arthur L. Warman
: Copy to Larry Armstrong, LAC/DR/CAR
: Copy to IEE file

James S. Hester Date December 22, 1982

James S. Hester
Chief Environmental Officer
Bureau for Latin America
and the Caribbean

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NATURE, SCOPE AND MAGNITUDE OF ENVIRONMENTAL IMPACTS

A. Description of the Project

The dual purposes of the project are (1) to upgrade the managerial and technical skills of public and private sector employees in Eastern Caribbean LDCs and Barbados and (2) to produce organizational capabilities and incentives to achieve and sustain increases in production and performance: - - - -

In achieving the project purposes, the project provides for business training and assistance and individual training grants and special programs. In-firm training, consultancy services and short and long-term training supportive of private enterprise development are provided for as project elements. It is anticipated that AID financing will provide for the following:

- (a) institutional strengthening of the Barbados Institute of Management and Productivity (BIMAP);
- (b) Individual Training Grants/Special Focus Seminars (30 long-term, 220 short-term); and
- (c) USAID Support Contracts

B. Identification and Evaluation of Environmental Impacts

This project will have no deleterious effects on the environment. While the project does not provide for direct environmental interventions, the development of better business practices and in-plant capabilities should lead to a maximization of both human and natural resources, thereby ensuring greater overall productivity. Moreover, the provision of consultancy services should lead to adoption of suitable technologies in private enterprise expansion in the region, thus encouraging newly developed practices and procedures which are supportive of environmental concerns.

C. Recommendation of Environmental Action

We conclude that this project will have no negative impact on the environment and that no further environmental impact analysis is required. A negative determination is recommended.

IMPACT IDENTIFICATION AND EVALUATION FORM

**Impact
Identification
and
Evaluation 2/**

Impact Areas and Sub-areas 1/

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

3. Ecological balance ----- N

4. Other factors

1/ See Explanatory Notes for this form.

2/ Use the following symbols:

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

IMPACT IDENTIFICATION AND EVALUATION FORM

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. SOCIOECONOMIC

- 1. Changes in economic/employment patterns _____ N
- 2. Changes in population _____ N
- 3. Changes in cultural patterns _____ N

IMPACT IDENTIFICATION AND EVALUATION FORM

4. Other Factors

_____	_____
_____	_____

G. HEALTH

1. Changing a natural environment -----	N
2. Eliminating an ecosystem element -----	N
3. Larger program impacts -----	N
4. Other factors	
_____	_____
_____	_____

H. GENERAL

1. International impacts -----	N
2. Controversial impacts -----	N
3. Larger program impacts -----	N
4. Other factors	
_____	_____
_____	_____

I. OTHER POSSIBLE IMPACTS (not listed above)

_____	_____
_____	_____
_____	_____

POSITION DESCRIPTION

Title: PROGRAMME DIRECTOR (EXTERNAL TRAINING)
Division: External Training
Basic Function: To design, promote and implement in-company training programmes.

Key Results Areas:

A. Primary

1. To promote the growth of BIMAP's in-company training programme.
2. To conduct and/or arrange meetings and forums for the discussion and dissemination of related training information.
3. To identify the training needs and requirements of individual companies and other organizations and make appropriate recommendations.
4. To identify and recommend appropriate programmes, other than training, that can be utilised to improve the management of individual companies and organizations.
5. To design and implement appropriate in-company training courses.
6. To develop and maintain an effective system for the evaluation of in-company training courses.
7. To place, programme, direct and monitor the activities of management counsellors and other personnel allocated to the External Training Programme.
8. To prepare and administer an annual budget for the External Training Programme.
9. To prepare quarterly status and other activity reports on the External Training Programme
10. To develop and prepare measurable objectives for key results areas.

Secondary

1. To attend meetings of the Planning and Priorities Committee.
2. To participate in special programmes/activities as required.

RELATIONSHIPS

- (a) Reports to the Executive Trustee
- (b) Directs the activities of management counsellors and other personnel allocated to the External Training Programme.
- (c) Cooperates and collaborates with all members of staff as required.
- (d) Develops and maintains appropriate external relationships in order to promote and advance the interests of BIMAP.

STANDARD OF PERFORMANCE

See performance evaluation system as provided.

MAIN SPECIFICATIONS

Education: Professional training/qualifications in management development.
Experience: Demonstrated experience in the development and conduct of training programmes in a business environment.
Others: Ability to relate to individuals at all levels.

POSITION DESCRIPTION

Title: MANAGEMENT COUNSELLOR
Division: External Training
Basic Function: To develop and conduct training courses for client companies and other organizations.

Key Results AreasA. Primary

1. To investigate and determine the individual training and development needs of companies and organizations.
2. To advise and consult with all levels of management of client organizations on training and development needs and problems.
3. To conduct in-depth studies in the training and development field.
4. To develop and conduct technical, clerical, supervisory and special group training courses to meet operational requirements of client organizations.
5. To provide educational counselling and guidance for interested individuals in client organizations.
6. To assist client organizations in the preparation of employee training aids.
7. To identify and recommend appropriate programmes, other than training, that can be utilised to improve the management of client organizations.
8. To prepare quarterly status and other activity reports on key results areas.
9. To develop and prepare measurable objectives for key results areas.

B. Secondary

1. In collaboration with the Programme Director, Internal Training and/or appropriate Programme Director to develop and conduct functional training courses in his/her area of special competence.
2. To participate in special programmes/activities as required.

RELATIONSHIPS

- (a) Reports to the Programme Director, External Training.
- (b) Cooperates and collaborates as required with all members of staff.
- (c) Develops and maintains appropriate external relationships in order to promote and advance the interests of BIMAP.

STANDARDS OF PERFORMANCE

See performance evaluation system as provided.

MAIN SPECIFICATIONS

Education: Professional qualifications/training in management/psychology with specialisation in a major functional area.

Experience: Demonstrated experience in the area of management training and development.

Other: Creative and analytical ability.

Title: MANAGEMENT COUNSELLOR
Division: Small Business Unit, Business Advisory Services
Basic Function: To advise and consult with the management of small-scale enterprises.

Key Results Areas:

A. Primary

1. To identify small-scale enterprises in need of assistance.
2. To investigate and determine the nature of management, financial and other assistance required.
3. To develop, and implement appropriate and acceptable systems and procedures.
4. To provide management, financial, technical and related counselling and guidance to small-scale enterprises.
5. To conduct studies in the field of new ventures and related areas of small business development.
6. To assist client organisations with the mobilisation of money, capital and other resources.
7. To identify and recommend appropriate programmes, other than counselling, that can be utilised to improve the management of client organisations.
8. To prepare quarterly status and other activity reports on key results areas.
9. To develop and prepare measurable objectives for key results areas.

B. Secondary

1. Under the aegis of the appropriate Programme Director, to develop and conduct training courses in his/her area of special competence.
2. To participate in special programmes/activities as required.

Relationships

- (a) Reports to Programme Director, Small Business Unit, Business Advisory Services.
- (b) Cooperates and collaborates as required with all members of staff.
- (c) Develops and maintains appropriate external relationships in order to promote and advance the interests of BINAP.

Standards of Performance

See performance evaluation system as provided.

Main Specifications

- Education: Professional qualifications/training in management with specialisation in a major functional area.
- Experience: Demonstrated experience in problem-finding and problem-solving in a business or related environment.
- Other: Bondable with a high degree of innovative and analytical ability.

Title: Management Counsellor/Senior Management Counsellor
Division: Consulting and Research
Basic Function: To provide consulting, research and advisory services to client companies and other organisations.

Key Results Areas:**A. Primary**

1. To identify client companies and other organisations in need of consulting, research and advisory services.
2. To investigate and determine the nature of services required.
3. To do research, develop and implement appropriate and acceptable systems and procedures or make arrangements for their provision as may be required.
4. To design and undertake in-depth studies on major developments, problems and issues as assigned.
5. To assist client organisations with the mobilisation of money, capital and other resources.
6. To identify and recommend appropriate programmes, other than consulting, research and advisory services that can be utilised to improve the management and increase the productivity of client organisations.
7. To prepare quarterly status and other activity reports on key results areas.
8. To develop and prepare measurable objectives for key results areas.

B. Secondary

1. Under the aegis of the Programme Director, to develop and conduct training courses in his/her area of special competence.
2. To participate in special programmes/activities as required.

Relationships

- (a) Reports to Executive Trustees or Programme Director as appropriate.
- (b) Cooperates and collaborates with all members of staff.
- (c) Develops and maintains appropriate external relationships in order to promote and advance the interests of SINAP.

Standards of Performance

- Achievements of objectives as agreed upon.

Non-Specifications

Education: Professional qualifications/training in economics, management and related areas with specialisation in at least one major functional area.

Experiences: Demonstrated ability and experience in problem-finding and problem-solving in a business or related environment.

Other: Bendable with a high degree of (innovative and analytical) ability.

SCHEDULE OF TRAINING
FOR
BIMAP STAFF

<u>TOTAL</u>	<u>1983/84</u>	<u>1984/85</u>	<u>1985/86</u>	<u>1986/87</u>
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\$'000 U.S.

Long Term Training

Two (2) individuals to be selected to pursue Masters Programs in Business/Management.

94	21	23	24	26
----	----	----	----	----

Short Term Training

Sixteen (16) individuals to be selected for short-term training in Consulting practice, productivity improvement, in-plant training, marketing, general management, information sciences and small-scale enterprises.

191	44	48	48	51
	11	11	10	10

BRIEF TERMS OF REFERENCE

1. Long-term Training

The objective of this training is to provide at least two members of BIMAP's professional staff with the opportunity to acquire higher level training at the Masters level in the functional areas of management. The individuals selected will pursue M.B.A/M.Sc. programs at accredited universities in the U.S.A.

Provision has been made for four (4) person years in accordance with the following schedule:

1983/84	-	\$21,000
1984/85	-	\$23,000
1985/86	-	\$24,000
1986/87	-	\$26,000

2. Short-term Training

The objective of this training is to expose the professional staff of BIMAP to new ideas and experiences in universities, productivity centres and related institutions which have appropriate training programs in consulting practice, productivity improvement, supervisory and in-plant training, marketing, general management, information sciences, and the development of small-scale enterprises.

Provision has been made for forty-two man-months of training in accordance with the following schedule:

<u>Years</u>	<u>Man-Months</u>	<u>Estimated Cost</u>
1983/84	11	\$ 44,000
1984/85	11	48,000
1985/86	10	48,000
1986/87	10	51,000
		<u>\$191,000</u>

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TABLE 5
PERSON DAY RATE CALCULATION

<u>Person Day Rate</u>	
R\$49,000	Per person man year
<u>7,350</u>	Fringe benefits & fees (15%)*
B\$56,350	Person year direct cost
<u>33,810</u>	60% overhead
90,160	Person year total costs
÷	
·	
<u>200</u>	Person days per year
451	
÷	
·	
<u>2</u>	Barbados dollars per U.S.
B\$ 225	Per person day, Year 1
243	Year 2 (with 8% inflation)
262	Year 3
283	Year 4
<u>Person Days Per Year</u>	
261	Work days per year
<u>- 11</u>	Holidays
250	
<u>- 28</u>	Vacation
222	
<u>- 22</u>	Professional training
200	Person days per year

* Employee Benefits Detail.

Employee Benefits Detail

1)	National Insurance	5.00 percent
2)	Employment Injury	.25 "
3)	Unemployment	1.00 "
4)	Soverance	.25 "
5)	Training Fund	.25 "
6)	Transport Levy	.25 "
7)	Health Service	.50 "
		<u>7.5 percent</u>
	Allowance for future increase	.5 "
		<u>8.0 percent</u>
	Employer pension fund contribution	7.0 "
		<u>15.0 percent</u>

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BARBADOS INSTITUTE OF MANAGEMENT AND PRODUCTIVITY

Implementation Plan

A detailed plan of activities for the period July 1983 - September 1985 indicates that personnel requirements vary between four and eight. There is a substantial amount of unallocated time to ensure that the activities planned for a given year can be completed in that year even if delays occur.

Except for Barbados, only minimal activity is scheduled for the period mid-December to mid-March. This period is the peak tourist season, sugar cane harvest and international cricket, football and athletics season. This results in higher hotel rates, difficult airline reservations and non-availability of several business people.

At this point, the development of detailed plans for project years 3 and 4 is not a meaningful exercise since the experience of the previous years would be essential in planning the second half of the project.

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ANNEX II
Page 2 of 3

BIMAP/USAID REGIONAL DEVELOPMENT TRAINING PROJECT
IMPLEMENTATION PLAN PREPARATORY ACTIVITIES

JUL - OCT 83

REV. JUN 15/83

	JUL	AUG	SEP	OCT	TOTAL PR DYS	PR DAY COST US\$	TRAVEL COST US\$	PURCHASES US\$	TOTAL COST US\$	FUNDING USAID US\$	BIMAP US\$
PROJECT PROMOTION											
Memo of Understanding		4	12	8	24	5400	2400		7800	2400	5400
Advisory Committees		4	12	8	24	5400	2400		7800	2400	5400
Country Seminars		2	6	4	12	2700	1200		3900	1200	2700
EQUIPMENT PURCHASE											
Portable Computers		1			1	225	100	8400	8725	8400	325
Word Processor		1			1	225	100	6700	7025	6700	325
Software & Accesories		4			4	900	400	10000	11300	10000	1300
Photocopier		1			1	225	0	6000	6225	6000	225
Journals				1	1	225	0	500	725	500	225
Video Components			2		2	450	200	30000	30650	30000	650
Films & Videotapes			5	5	10	2250	0	15000	17250	15000	2250
STAFF RECRUITMENT											
Advertising	1				1	225	0		225		225
Interviews		8	2		10	2250	0		2250		2250
Contract Finalisation		1	4		5	1125	0		1125		1125
Orientation			2		2	450	0		450		450
TOTALS	1	26	45	26	98	22050	6800	76600	105450	82600	22850

BIMAP/USAID REGIONAL DEVELOPMENT TRAINING PROJECT IMPLEMENTATION PLAN YEAR 1
PERSON DAY ALLOCATION TO PROJECT ACTIVITIES

REV. JUN 13/83

ORGANISATIONAL DEVEL	OCT 83 - MAR 84						6 MTHS	O.D'S	APR 84 - SEP 84						6 MTHS	O.D'S	YEAR
	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL	COMPLTD	APR	MAY	JUN	JUL	AUG	SEP	TOTAL	COMPLTD	TOTAL
St. Kitts	40	40	20				100	2							70	1	170
Dominica				40	30		70	1							0		70
St. Lucia	40	40	20				100	2					40	30	70	1	170
Antigua						40	40		40	40					80	2	120
Barbados		20		20	20	20	80	1	20	20		10	20	20	90	2	170
TOTAL ORG DEV	80	100	40	60	50	60	390	6	60	60	40	40	60	50	310	6	700
MANAGEMENT TRAINING								COURSES							COURSES		
St. Kitts							0		20				10		30	4	30
Dominica						15	15	2							0	6	15
St. Lucia							0				15			15	30	4	30
Antigua							0			15					15	2	15
TOTAL MGT TRN	0	0	0	0	0	15	15	2	20	15	15	0	10	15	75	10	90
INT ENTERPRISE ASSIST								I.E.A'S							I.E.A'S		
St. Kitts	20	20	10	20	5		75	15							0	0	75
Dominica					15	20	35	7					20	20	40	8	75
St. Lucia	20	20	10	20	5		75	15							0	0	75
Antigua									20	20	20	15			75	15	75
TOTAL IEA	40	40	20	40	25	20	185	37	20	20	20	15	20	20	115	23	300
TOTAL PERSON DAYS	120	149	60	100	75	95	590		100	95	75	55	90	85	500		1090
STAFF REQUIRED	5	7	3	5	4	5			5	5	4	3	5	4			
Person Day Costs	27000	31500	13500	22500	16875	21375	132750		22500	21375	16875	12375	20250	19125	112500		245250
Travel Costs	12000	12000	6000	8000	5500	7500	51000		8000	7500	7500	4500	7000	6500	41000		92000
Training Materials						600	600		600	600	600		600	600	3000		3600
TOTAL COST	39000	43500	19500	30500	22375	29475	184350		31100	29475	24975	16875	27850	26225	156500		340850
BIMAP STAFF TRAINING																	
Long Term (PR MTH)				1	1	1			1	1	1			1			
Short Term (PR MTH)					1						1	2		1			
Staff Training L.T				2100	2100	2100	6300		2100	2100	2100	0	0	2100	8400		14700
Staff Training S.T.				0	4400	0	4400		0	0	4400	8800	0	4400	17500		22000
TOTAL TRAINING COST				2100	6500	2100	10700		2100	2100	6500	8800	0	6500	26000		36700

77000