

UNCLASSIFIED

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

BOLIVIA

PROJECT PAPER

MANAGEMENT TRAINING
(Amendment # I)

AID/LAC/P-341 &
LAC/P-256

Project Number:511-0580

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AGENCY FOR INTERNATIONAL DEVELOPMENT REVISED PROJECT DATA SHEET	1. TRANSACTION CODE <input checked="" type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number <u>1</u>	DOCUMENT CODE 3
2. COUNTRY/ENTITY BOLIVIA	3. PROJECT NUMBER <input type="checkbox"/> 511-0580 <input type="checkbox"/>		
4. BUREAU/OFFICE <input type="checkbox"/> 05	5. PROJECT TITLE (maximum 40 characters) <input type="checkbox"/> Management Training <input type="checkbox"/>		
6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 08 31 08 9	7. ESTIMATED DATE OF OBLIGATION (Under "B" below, enter 1, 2, 3, or 4) A. Initial FY <input type="checkbox"/> 8 <input type="checkbox"/> 5 B. Quarter <input type="checkbox"/> 4 C. Final FY <input type="checkbox"/> 8 <input type="checkbox"/> 9		

8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	590	210	800	1,790	910	2,700
(Grant)	(590)	(210)	(800)	(1,790)	(910)	(2,700)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.				150	977	1,127
Host Country						
Other Donor(s)						
TOTALS	590	210	800	1,940	1,887	3,827

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) 106	660					2,700		2,700	
(2)									
(3)									
(4)									
TOTALS						2,700		2,700	

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

13. PROJECT PURPOSE (maximum 480 characters)

The purpose of the Project is to support the development of an independent management training institute to provide intensive, short-term management training to Bolivian businessmen and women.

14. SCHEDULED EVALUATIONS Interim MM YY MM YY Final MM YY 08 87 06 89	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input checked="" type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
--	--

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

I have reviewed and concur in the proposed implementation and financing procedures for this project.

Guillermo Penaranda
 Guillermo Penaranda, Acting Controller

17. APPROVED BY	Signature George A. Wachtenheim	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY 09 29 86
	Title Acting Mission Director	

MANAGEMENT TRAINING PROJECT PAPER
AMENDMENT NO. 1

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Revised Facesheet
Authorization Amendment

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- A. Revised Logframe
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PROJECT AUTHORIZATION
(Amendment No. 1)

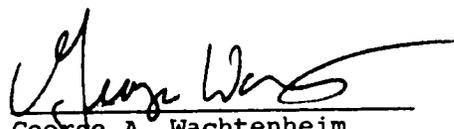
Name of Country: Bolivia
Name of Project: Management Training
Number of Project: 511-0580

1. Pursuant to Part I, Chapter I, Section 104 of the Foreign Assistance Act of 1961, as amended, the Management Training Project was authorized on August 30, 1985. That Authorization is hereby amended as follows:

Delete the first paragraph of the first page of the Authorization and insert in lieu thereof the following:

"Pursuant to Part I, Chapter 1, Section 104 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Management Training Project for Bolivia involving planned obligations of not to exceed Two Million Seven Hundred Thousand United States Dollars (US\$2,700,000) in grant funds over a four-year period from date of authorization, subject to the availability of funds in accordance with the A.I.D./OYB allotment process, to help in financing the foreign exchange and local currency costs of the project. The planned life of the project is four years from the date of initial obligation.

2. Except as expressly modified or amended hereby, the Authorization remains in full force and effect.


George A. Wachtenheim
Acting Director, USAID/Bolivia

9/29/86
Date _____

Clearances:

PD&I:RJAsselin date 9/20/86
CONT:GPeñaranda (in draft) date 9/17/86
HHR:GBowers (in draft) date 9/17/86
GC/LAC (State Cable 296560) date 9/20)

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MANAGEMENT TRAINING PROJECT PAPER

AMENDMENT NO. 1

I. SUMMARY

This Project Paper Amendment recommends that \$700,000 in grant funds be added to the life-of-project budget for the Management Training (IDEA) Project. The additional funds will be used (1) to expand the Institute's course offerings by 50% and the number of participants trained by 69%, (2) to strengthen IDEA's regional offices, and (3) to restore \$233,000 to the project budget's contingencies line item, which amount was earlier used to fund the higher-than-expected cost of the international technical assistance contract.

The objective of the Management Training Project is to establish an independent, private sector training institute to provide short-term entrepreneurial instruction to Bolivian businessmen and women at all levels, from support staff to top management. This objective was met, in its primary stage, during the Project's first year of operation, when the Institute was legally and physically established, and over 1,000 participants from all levels of business were trained.

The Project-supported Institute (officially "Instituto para el Desarrollo de Empresarios y Administradores - IDEA") began activities on August 31, 1985 with the signing of a Cooperative Agreement between the Bolivian Confederation of Private Businessmen (CEPB), IDEA's sponsor and founder, and USAID/Bolivia. Initial activities went smoothly, despite a few delays, and by September 15, 1986, the Institute had offered 21 well-subscribed courses/seminars: 13 in La Paz, 4 in Cochabamba, 3 in Sucre, and 1 in Oruru. In meeting its goal of serving the private business sector from top to bottom, the Institute gave 7 of its first 21 courses for top management, 3 for mid-level managers, 6 for small businessmen, 2 for support staff, and 3 for the sector in general.

The Project calls for the Institute to be financially self-sufficient by its fifth year of operation, supported by course fees, dues paid into a membership system, income generated by a Service Center, and consulting charges. The Project began generating funds at the inception of classes in July 1986. Demand for class participation is running above projections, with 3 of the first 21 classes offered having been repeated because of oversubscription.

Given the higher-than-expected demand for classes, the number of IDEA's courses and its regional activities are being expanded. This expansion calls for more investment in both the regions themselves, now increased from two to four, and in IDEA's main office in La Paz. It means that more students will be trained than first thought (8,690 in total), more courses will be given (344 in total), and the Institute's geographic scope will grow. Additional funds have been added to the revised budget to cover these expanded activities, and the outputs table has been revised accordingly (Section III.B.).

An additional problem this Amendment will address is the greater-than-expected cost of the international technical assistance contract, awarded to the Westinghouse Corporation. The \$233,000 earlier taken from the "Contingencies" line item of the project budget to help fund this contract will be restored under this Amendment. These contingency funds are needed to allow the Institute the flexibility it needs to design an innovative curriculum.

In preparing this PP Amendment, USAID/Bolivia analyzed the current market for short-term entrepreneurial training in Bolivia, the capabilities of the newly-created Institute, and the financial impact of an expanded curriculum and a broader service base on IDEA's plans for economic self-sufficiency. The conclusions were: a) the entrepreneurial training market in Bolivia is greater than originally anticipated and can easily absorb the planned expansion of class offerings; b) an increase in the USAID grant of 35% would allow a geometric expansion of the project product, namely 50% more classes given and 69% more students:

trained within the same Project life; c) the Institute's administrative base could carry the heavier superstructure necessitated by the expansion, including the extra staff to be hired and supervised; and d) the expansion would not impair, and would likely enhance, IDEA's plans for financial self-sufficiency within five years. Therefore this PP Amendment recommends expanding the Project as described earlier.

The Project's financial projections are being regularly revised as the Project progresses to ensure that IDEA reaches economic self-sufficiency by August 1990. The summary revised budget for the Project is the following:

Component	<u>MANAGEMENT TRAINING PROJECT</u> (\$ 000)			<u>HOST COUNTRY</u>			GRAND TOTAL
	<u>A I D</u>			Private Sector	<u>Local Currency Generations</u>		
	Current Totals	This Amendment	New Totals				
1. Technical Assistance	1,000 (1)	-	1,000	30	-		1,030
2. Operating Expenses	368	131	499	287	55		841
3. Commodities	196	70	266	-	-		266
4. Staff Training	150	20	170	230	-		400
5. Course Costs	249	180	429	320	75		824
6. Contingencies	37 (1)	299	336	110	20		466
TOTAL	2,000	700	2,700	977	150		3,827 (2)

- (1) In the PP, this line item contained \$767,000 for Technical Assistance. \$233,000 was taken from the Contingencies line item (originally \$270,000) in April 1986, when the TA contract was awarded to Westinghouse at a cost of just under one million dollars. This Amendment restores the Contingencies line item to its original level plus 24% to allow IDEA the flexibility it needs to continue its innovative work.
- (2) IDFA itself and the GOB through Title III are contributing 30% of total project costs.

II. BACKGROUND AND PROJECT RATIONALE

A. Current Bolivian Situation for Entrepreneurial Training

The larger-than-expected response to the introduction of IDEA's first courses in July 1986 reflects both the appropriateness of the Institute's courses for the market, and the success of a special promotional effort by the Institute and its parent organization, the Confederation of Bolivian Private Businessmen. The fact that three of the first courses had to be repeated due to oversubscription is further testimony to the quality of the product offered. Regularly delivered, fairly-priced, carefully targetted short courses for businessmen, especially below top-level management, have not been available before in Bolivia. With the exception of a few successful computer institutes, the for-profit sector has not been able to fill, or perhaps has not been interested in filling, this vacuum. In the non-profit sector, the five institutions described below have been active, but none has the practical focus of IDEA. It is interesting to note that two of the five groups have already begun to copy some of IDEA's ideas, which is to be encouraged given the large untapped market for business training, the need of Bolivia to reactivate its economy, and President Paz' emphasis on the private sector as a vehicle of national growth.

1. The Instituto Boliviano de Estudios Empresariales (IBEE)

This Institute was set up in 1980 by professors and graduates of the Business Management School of the Bolivian Catholic University (UCB), when the Government of General Garcia Meza closed the nation's universities. (One of IBEE's founders is the present Executive Director of IDEA.) For economic reasons, largely the lack of support from the business sector and the inability to work out a relationship with the UCB, the IBEE went into decline after a promising

start. In 1985, headed by a new and resourceful president (who has recently been appointed Bolivian Ambassador to a European country), the IBEE took on new life. However its courses remained largely academic rather than practical, taught as they were by university professors. Its clientele expanded but came largely from top management. While the success of IDEA seems to have given IBEE the idea of offering more practical instruction, with the loss of its current President and the continuing theoretical academic preferences of its university staff, it appears IBEE will continue to serve a different client group than IDEA's, and will offer less frequent training opportunities.

2. American Chamber of Commerce (AMCHAM)

The American Chamber of Commerce has a training arm, "The Management Institute of Bolivia." Before IDEA, this group offered only three or four short seminars a year to members and other top management staff. These seminars were backstopped by the American Management Association of the U.S. After the initiation of IDEA, this group increased the pace of its activities, offering four seminars in two months. However, the seminars remain directed to business leaders, ignoring all other levels of the private sector. Their pace is already in decline.

3. Universidad Católica Boliviana - Universidad Mayor de San Andrés

Occasionally these universities have offered short, business-related courses to anyone who wished to pay and attend. However, given the cuts in university budgets, it is unlikely that these universities will add any further activities of this kind to their schedules in the medium term.

4. Universidad Privada de Santa Cruz

This University offers courses especially for business people on an intermittent basis. However, instruction is largely aimed at the social aspects of business - psychology, social interaction, personal relations. Courses dedicated to bottom line subjects such as bookkeeping, exporting, and improving productivity are not given. While IDEA will occasionally treat the sociological aspects of business, in general the two training institutions do not overlap in their activities.

5. Instituto Superior de Administración Pública (ISAP)

This institution was created several years ago with A.I.D. assistance by the Consejo Nacional de Planificación (CONEPLAN) to train public sector managers. Various courses of varying lengths of time are given, but the quality at present is mixed. The reasons for this are underfunding, politicization, and lack of adequate planning. In any case, IDEA aims to fulfill private sector business needs and does not address public administration issues at all. On the other hand, some of IDEA's general management courses may well be of benefit to public sector managers.

This review of the short-term, practical business instruction presently available in Bolivia indicates that the IDEA concept is as valid today as it was when the Management Training Project was being planned. The early, positive response to IDEA's courses is further proof of the need for, and acceptance of, this training throughout Bolivia.

B. Project Progress to Date

Prior to the inception of the Project on August 30, 1985, IDEA was established as a de facto institution by its parent group, the CEPB. This Confederation also took the necessary steps to obtain independent legal status for IDEA.

Between September and November 1985, an Executive Director was hired, the Request for Proposals (RFP) for technical assistance was issued, and the ad-hoc Board of Directors began weekly meetings to plan the new Institute's activities. A temporary Project Manager, an expert in non-formal education, was hired to support the Institute's efforts during this initial period.

During the next three months, December 1985 through February 1986, a permanent Project Manager, an Academic Director and a Controller were hired by IDEA. Efforts began to plan courses, to enroll businesses as dues-paying members, and to identify local and international experts who could serve as instructors.

In March 1986, the first General Assembly of IDEA took place, at which a Board of Directors was formally elected, replacing the appointed, ad-hoc Board which served during the initial period. Didactic activities continued, but the absence of the international technical assistance was keenly felt. The T.A. contract was awarded in April, to Westinghouse Corporation for just under one million dollars. Also in April, the first of two Assistant Academic Directors was hired.

In May 1986, Westinghouse's Chief of Party arrived in Bolivia from the United States, and the Regional Director for IDEA in Cochabamba was named. Office space for the Cochabamba branch of IDEA was simultaneously rented in the local Chamber of Commerce Building then under construction. At that point, course planning activities and Institute publicity campaigns were intensified.

In July 1986, IDEA offered its first courses to the public. Four executive fora were given in La Paz (2), Oruro and Cochabamba, to introduce and advertise the new training entity. Both U.S. and Bolivian experts addressed the topic "Bolivia in Crisis: Alternative Solutions." The first seminars were directed to top management, since these would be the people who would decide whether to send their subordinates to IDEA classes, and enroll their enterprises as dues-paying IDEA members. These introductory fora were praised by their sophisticated audiences, and generated an excellent base of support for later IDEA activities.

Between July and September, 1986, 21 courses were given at IDEA, with over 1,000 participants. (It should be noted that "hands on" classes are limited to 30 students, while seminars led by important, international speakers are structured to allow for many more participants in order to cover their much higher costs, and to provide the desired broad impact.) The geographic distribution of these courses is shown in Table II, indicating that IDEA began reaching beyond the capital to train entrepreneurs from all parts of the country from its earliest days. Classes in Santa Cruz will begin soon; with a site for a regional office there now under consideration.

TABLE II

IDEA CLASSES/SEMINARS

Geographic Distribution of First 21 Sessions
July - September 1986

<u>CITIES</u>	<u>CLASS SESSIONS</u>
La Paz	13
Cochabamba	4
Sucre	3
Oruro	1
<hr/>	
TOTAL	21
<hr/>	

As mentioned in Section I, IDEA's first 21 classes/seminars were addressed to all levels of business - with 7 designed for top management, 3 for middle-level managers, 6 for small business owners and managers, 2 for support staff, and 3 for the business community in general. This balanced distribution of courses will continue, as shown in the new implementation plan, found in Section III C, Table IX.

Having begun its core curriculum, IDEA is expanding its services, offering courses tailored to sponsors' needs on their own premises or at a location chosen by them. Examples are a course on "Marketing for Top Management" given at the offices of D+B Enterprises, and two courses on "Basic Accounting for Small Business", tailored to the needs of the bakers of La Paz, sponsored by Molino Andina and Banco Mercantil.

C. Justification for Amendment

As described earlier, the response to IDEA's course offerings has been greater than expected, regional interest in IDEA courses has expanded from the initial two to four cities outside La Paz, and the technical assistance contract cost a third more than budgeted. The additional \$700,000 provided by this Amendment will be used to meet IDEA's expanded needs. First, the number of classes, and consequently the number of students trained, will be raised by 50 and 69 percent respectively. Second, the "Contingencies" line item in the budget will be restored to its original level plus 24%, permitting the Institute the flexibility it needs to continue innovation. Finally, modest offices will be established in Oruro and Sucre to complement the originally-planned-for regional offices in Cochabama and Santa Cruz.

The expanded Project product is shown in Table III, Section III.B.

III. PROJECT DESCRIPTION

A. Project Goal and Purpose

The goal of the Project is to improve the professional capabilities of Bolivian private sector managers through training geared to the needs of their enterprises.

The purpose of the Project is to support the development of an independent management training institution to provide intensive, short-term management training to Bolivian businessmen and women.

B. Revised Outputs and Inputs

This Amendment recommends increasing the amount of grant funds in the project budget, thereby providing for an expanded project impact (more students trained over a wider geographic area). This expansion of Project outputs does not affect the project's philosophy, strategy, components, or contracting and disbursement methods, which remain as described in the original Project Paper.

A comparison of the original and amended project inputs is found in Table III.

Substantial additional outputs have been made possible by the new funds. A comparison of the original and the new outputs is shown in Table IV, and

A complete, revised new Outputs Statement is attached as Table V.

TABLE III

MANAGEMENT TRAINING PROJECT
COMPARISON OF ORIGINAL AND REVISED INPUTS
(US\$ 000)

<u>Components</u>	<u>Original Amount</u>	<u>This Amendment</u>	<u>Percent Change</u>	<u>New Totals</u>
1. Technical Assistance	767	233	30%	1,000
2. Operating Expenses	368	131	36%	499
3. Commodities	196	70	36%	266
4. Staff Training	150	20	13%	170
5. Course Costs	249	180	72%	429
6. Contingencies	270	66	24%	336
TOTAL	2,000	700	35%	2,700

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TABLE IV

MANAGEMENT TRAINING PROJECT

COMPARISON OF ORIGINAL AND REVISED OUTPUTS

Category	Original Outputs (Minimum of)	Added This Amendt. (Minimum of)	Total Outputs (Minimum of)	Increase %
Enterprise Fora	7	9	16	129%
Executive Level Seminars	55	7	62	12%
Middle-Management Training Courses	74	14	88	19%
Small Scale Bus. Trng. Courses	93	17	110	18%
Clerical Training Courses	0	68	68	New Activity
Participants in Fora	700	100	800	14%
Senior-Level Partic. from large firms trained	1,100	140	1,240	13%
Mid-level Mgrs. Trained	1,480	720	2,200	49%
Small-scale Bus. Owners/Mgrs. Trained	1,860	890	2,750	48%
Clerical Personnel Trained	0	1,700	1,700	New Activity
IDEA Staff Trained Abroad	5	0	5	0%
Total Courses*	220	115	344	50%
Total Trainees	5,140	3,550	8,690	69%

* Without new clerical training activity: Courses given: up by 47 or 21%.
Students trained: up 1,850 or 36%.

TABLE V

IDEA: REVISED OUTPUTS STATEMENT
(Estimated IOP)

The following outputs are expected to be achieved by the end of the project (EOPS):

1. Curricula/course materials developed for senior executive, mid-level manager, small-scale businessman, and clerical staff courses.
2. A minimum of 16 "Enterprise Fora" conducted for Bolivian businessmen.
3. A minimum of 62 executive-level management seminars carried out.
4. A minimum of 88 middle-management training courses carried out.
5. A minimum of 110 small-scale business training courses carried out.
6. A minimum of 68 clerical training courses carried out. (New Activity).
7. Up to 800 businessmen having participated in "Enterprise Fora".
8. Up to 1,240 senior-level executives from large-scale firms trained.
9. Up to 2,200 middle-level managers trained.
10. Up to 2,750 small-scale businessmen trained.
11. Up to 1,700 clerical personnel trained. (New Training Category)
12. Five IDEA professional staff members trained abroad.

The expected total is a minimum of 344 courses given and 8,690 persons trained.

IV. REVISED COST ESTIMATE AND FINANCIAL PLAN

A. Life-of-Project Cost Estimate

The LOP Cost Estimate, now standing at \$3,827,000 counting all contributions over the four-year life of the Project, is shown in Table VI.

B. Revised Project Budget

The Revised Project Budget, which follows this paragraph as Table VII, is divided into amounts needed yearly according to major spending category: Technical Assistance, Training, Operating Costs, Commodities, Course Costs, and Contingencies. The first year's budget is an estimate of actual expenses, Year II calls for the largest contribution of AID funds, as the Institute enters its first full year of classes and employs the greatest amount of international technical assistance. Years III and IV show a decline in the use of AID funds, as the Institute generates an ever-larger percentage of its operating costs. Year V, which will be beyond the Project's life, should see the Institute enjoying complete financial independence.

C. Revised Disbursement Schedule

A revised Disbursement Schedule, indicating the use of dollar and peso funds, is attached as Table VIII. IDEA's financing needs for Year II of the Project, by quarters, are shown in Table IX. The Project accounting and disbursement systems remain as described in the Project Paper.

TABLE VI
MANAGEMENT TRAINING PROJECT
LOP COST ESTIMATE
(US Dollars)

	AID GRANT		IDEA INSTITUTE		HOST COUNTRY		T O T A L	
	FX	LC	FX	LC	FX	LC	FX	LC
Technical Assistance	1,000,000	-	-	30,000	-	-	1,000,000	30,000
Operating Expenses	40,454	458,000	-	287,000	-	55,000	40,454	800,000
Commodities	177,916	88,084	-	-	-	-	177,916	88,084
Training	112,386	57,614	140,000	90,000	-	-	252,386	147,614
Courses Cost	232,864	196,500	155,000	165,000	-	75,000	387,864	436,500
Contingencies	226,182	110,000	-	110,000	-	20,000	226,182	240,000
TOTALS	1,789,802	910,198	295,000	682,000	-	150,000	2,084,802	1,742,198
GRAND TOTAL	2,700,000		977,000		150,000		3,827,000	

TABLE VII

MANAGEMENT TRAINING PROJECT

REVISED PROJECT BUDGET AID GRANT

	AÑO 1/YEAR 1		AÑO 2/YEAR 2		AÑO 3/YEAR 3		AÑO 4/YEAR 4		T O T A L	
	ME/FX	ML/LC	ME/FX	ML/LC	ME/FX	ML/LC	ME/FX	ML/LC	ME/FX	ML/LC
<u>Donación A.I.D./</u> <u>A.I.D. Grant</u>										
Asistencia Técnica/ Technical Assistance	281,271	-	538,566	-	135,360	-	44,803	-	1,000,000	-
Gastos de Operación/ Operating Expenses	3,000	22,526	20,454	245,762	10,000	128,827	7,000	60,885	40,454	458,000
Bienes/ Commodities	32,250	66,631	95,000	21,453	40,666	-	10,000	-	177,916	88,084
Entrenamiento/ Training	9,900	1,020	71,963	40,000	15,523	9,000	15,000	7,594	112,386	57,614
Costo de Cursos/ Course Costs	-	150	180,000	61,949	-	100,155	52,864	34,246	232,864	196,500
Contingencias/ Contingencies	6,810	-	115,000	35,000	65,000	65,000	39,302	10,000	226,182	110,000
Subtotal	333,231	90,327	1,020,983	404,164	266,549	302,982	169,039	112,725	1,789,802	910,198
T O T A L	<u>423,558</u>		<u>1,425,147</u>		<u>569,531</u>		<u>281,764</u>		<u>2,700,000</u>	

TABLE VIII
MANAGEMENT TRAINING PROJECT
DISBURSEMENT SCHEDULE
(US Dollars)

	YEAR 1		YEAR 2		YEAR 3		YEAR 4		T O T A L	
	FX	LC	FX	LC	FX	LC	FX	LC	FX	LC
A. <u>A.I.D. Grant</u>										
Technical Assistance	281,271	-	538,566	-	135,360	-	44,803	-	1,000,000	-
Operating Expenses	3,000	22,526	20,454	245,762	10,000	128,827	7,000	60,885	40,454	458,000
Commodities	32,250	66,631	95,000	21,453	40,666	-	10,000	-	177,916	88,084
Training	9,900	1,020	71,963	40,000	15,523	9,000	15,000	7,594	112,386	57,614
Course Costs	-	150	180,000	61,949	-	100,155	52,864	34,246	232,864	196,500
Contingencies	6,810	-	115,000	35,000	65,000	65,000	39,372	10,000	226,182	110,000
Subtotal	333,231	90,327	1,020,983	404,164	266,549	302,982	169,039	112,725	1,789,802	910,198
B. <u>IDEA Institute</u>										
Technical Assistance	-	-	-	-	-	10,000	-	20,000	-	30,000
Operating Costs	-	-	-	47,000	-	100,000	-	140,000	-	287,000
Training	-	-	-	-	30,000	50,000	110,000	40,000	140,000	90,000
Course Costs	-	-	-	-	85,000	35,000	70,000	130,000	155,000	165,000
Contingencies	-	-	-	-	-	40,000	-	70,000	-	110,000
Subtotal	-	-	-	47,000	115,000	235,000	180,000	400,000	295,000	682,000
C. <u>Host Country</u>										
Operating Costs	-	-	-	-	-	25,000	-	30,000	-	55,000
Course Costs	-	-	-	-	-	35,000	-	40,000	-	75,000
Contingencies	-	-	-	-	-	15,000	-	5,000	-	20,000
Subtotal	-	-	-	-	-	75,000	-	75,000	-	150,000
	333,231	90,327	1,020,983	451,164	381,549	612,982	349,039	587,725	2,084,802	1,742,198

TABLE IX
MANAGEMENT TRAINING PROJECT
QUARTERLY DISBURSEMENT SCHEDULE
AID GRANT - YEAR II

<u>PARTIDAS/ITEMS</u>	<u>TRIMESTRE 1</u> <u>1st. QUARTER</u>	<u>TRIMESTRE 2</u> <u>2nd. QUARTER</u>	<u>TRIMESTRE 3</u> <u>3rd. QUARTER</u>	<u>TRIMESTRE 4</u> <u>4th. QUARTER</u>	<u>TOTALES</u> <u>TOTALS</u>
Asistencia Técnica/ Technical Assistance	238,566	100,000	100,000	100,000	538,566
Entrenamiento/ Training	20,000	30,000	40,000	21,963	111,963
Costos de Operación/ Operating Costs	60,000	70,000	80,000	56,216	266,216
Bienes/ Commodities	50,000	30,000	20,000	16,453	116,453
Costo de Cursos Courses Costs	40,000	50,000	80,000	71,949	241,949
Contingencias/ Contingencies	30,000	30,000	40,000	50,000	150,000
	<hr/> 438,566	<hr/> 310,000	<hr/> 360,000	<hr/> 316,581	<hr/> 1,425,147
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

V. REVISED IMPLEMENTATION PLAN

Implementation progress in the project's first year is described in both Section I, "Summary", and in Section II.C., "Project Progress to Date". A new Implementation Plan for Years II-IV is attached as Table X.

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TABLE X

MANAGEMENT TRAINING PROJECT

REVISED IMPLEMENTATION PLAN

SCHEDULE OF EVENTS, YEARS II - IV

YEAR 2

First Quarter:

- Contracting of the second assistant for the Didactic Unit.
- Contracting of an assistant for the Financial Unit.
- Hiring of regional representative for Santa Cruz.
- Establishment of permanent regional offices in Santa Cruz (space rental, equipment purchase, program design).
- Rental of new facilities.
- 5 Executive courses held.
- 7 Mid-level courses held.
- 9 Small entrepreneur courses held.
- 5 Clerical training courses held.
- Contracting of an external audit firm.

Second Quarter:

- Meeting held between USAID/B and IDEA Board to assess activities of IDEA.
- 5 Executive courses held.
- 7 Mid-level courses held.
- 2 Enterprise Fora held.
- 9 Small entrepreneur courses held.
- 6 Clerical training courses held.

Third Quarter:

- IDEA General Assembly held.
- Departure of first Didactic Unit Assistant Director for overseas training.
- 2 Enterprise Fora held.
- 5 Executive courses held.
- 7 Mid-level courses held.
- 9 Small entrepreneur courses held.
- 5 Clerical training courses held.

Fourth Quarter:

- 4 Executive courses held.
- 7 Mid-level courses held.
- 9 Small entrepreneur courses held.
- 6 Clerical training courses held.
- Activities for the third year planned.
- Independent evaluation of IDEA begun/completed.

YEAR 3

First Semester:

- 10 Executive courses held.
- 15 Mid-level courses held.
- 18 Small entrepreneur courses held.
- 11 Clerical training courses held.
- Meeting held between USAID/B and IDEA Board to assess IDEA activities.

Second Semester:

- IDEA General Assembly held.
- Second Didactic Unit Assistant departs for overseas training.
- 4 Enterprise Fora held.
- 9 Executive courses held.
- 14 Mid-level courses held.
- 18 Small entrepreneur courses held.
- 11 Clerical training courses held.
- Internal Evaluation of IDEA completed.
- Meeting held between USAID/B and IDEA Board to assess IDEA activities.
- Activities for the fourth year planned.

YEAR 4

First Semester

- Director of Didactic Unit leaves for overseas training.
- 10 Executive courses held.
- 15 Mid-level courses held.
- 10 Small entrepreneur courses held.
- 11 Clerical training courses held.

Second Semester:

- IDEA General Assembly held.
- 4 Enterprise Fora held.
- 10 Executive courses held.
- 14 Mid-level courses held.
- 18 Small entrepreneur courses held.

- 12 Clerical training courses held.
- External E.O.P. evaluation completed.
- Final meeting of USAID/B and IDEA Board to evaluate project.
- Activities for the fifth year planned.

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AID 1023-25 (7-71)
SUPPLEMENT I

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

(INSTRUCTION: THIS IS AN OPTIONAL FORM WHICH CAN BE USED AS AN AID TO ORGANIZING DATA FOR THE PAR REPORT. IT NEED NOT BE RETAINED OR SUBMITTED.)

Life of Project:
From FY 85 to FY 89
Total U.S. Funding 2.7 million
Date Prepared: September 25, 1986

Project Title & Number: MANAGEMENT TRAINING 511-0580

PAGE 1

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 the efficiency of business management in the Bolivian private sector thereby enhancing productivity throughout the economy.</p>	<p>Measures of Goal Achievement:</p> <ol style="list-style-type: none"> 1. Expansion of Bolivian private sector as measured by contribution to Gross Domestic Product. 2. Higher rates of large, medium, and small businesses starting up and remaining solvent. 3. Increasing net income of businesses of all sizes brought about by improved managerial efficiency. 4. Improved employment opportunities for small entrepreneurs mid-level managers and executives. 	<p>Data available from Ministry of Commerce on Bolivian annual GDP.</p> <p>Ministry of Commerce information on start-up and bankrupt business.</p> <p>Surveys, and evaluation information provided by project participants.</p>	<p>Assumptions for achieving goal targets:</p> <p>Private sector continues to receive policy support of Bolivian Government.</p> <p>Existing and new businesses can survive the current economic crisis, remain productive and effectively utilize the skills training provided under the project.</p>

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: _____
From FY 85 to FY 89
Total U.S. Funding 2.7 million
Date Prepared: September 25, 1986

Project Title & Number: MANAGEMENT TRAINING 511-0580

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Purpose:</p> <p>To support the development of an independent management training institute to provide intensive, short term management training to Bolivian businessmen and women.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <p>A financially self-sufficient management training institute established, offering a full array of business management courses designed to meet the needs of the Bolivian private sector.</p>	<p>End of project evaluation.</p> <p>Project management information system, including student surveys.</p> <p>USAID/Bolivia project manager monitoring.</p> <p>Internal and external audits.</p>	<p>Assumptions for achieving purpose:</p> <p>Contracted instructors and other program technical assistance will be sufficient and available.</p> <p>Program participants and/or firms are willing to pay for training.</p> <p>Sufficient demand exists for the three levels of courses.</p> <p>GOB will not interfere with private sector training and education programs.</p> <p>Exaggerated regionalism will not destroy the Institute.</p> <p>The socio-economic mix of large, medium and small scale entrepreneurs will work.</p>

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 85 to FY 89
Total U.S. Funding 2.7 million
Date Prepared: September 25, 1986

Project Title & Number: MANAGEMENT TRAINING 511-0580

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Outputs:</p> <ol style="list-style-type: none"> 1. "Enterprise Fora" held. 2. Curricula developed for courses for executives, mid-level managers, small-scale entrepreneurs, and clerical staff. 3. Executive level seminars given; Executives trained. 4. Mid-level manager seminars given; Mid-level managers trained. 5. Small Entrepreneur classes given; small-scale entrepreneurs trained. 6. Clerical training given; Support staff trained. 7. IDEA staff trained. 8. Financially independent management training institute exists. 	<p>Magnitude of Outputs:</p> <ol style="list-style-type: none"> 1. 16 Enterprise Fora held for NFT 800 attendees. 2. Course materials purchased/adapted/developed by IDEA. These materials tested, in use, and for sale (where developed by IDEA). 3. Executive Level: A minimum of 62 seminars held and NFT 1,240 persons trained. 4. Mid-Level: A minimum of 88 training courses given with NFT 2,200 persons trained. 5. Small Entrepreneur Level: A minimum of 110 courses given with NFT 2,750 persons trained. 6. Clerical Level: A minimum of 68 courses given with NFT 1,700 clerical staff trained. 7. Five IDEA professional staff members trained abroad; All IDEA instructors trained. 8. One self-financing institute effectively meeting private sector business training needs. <p>(NFT = not fewer than)</p>	<p>Project manager surveys and reports.</p> <p>IDEA books, records, and reports to the Board and to AID.</p> <p>Yearly in-house evaluations; mid-term and EOP evaluations.</p> <p>Consultants' reports.</p> <p>Audits.</p>	<p>Assumptions for achieving outputs:</p> <p>Qualified professors can be found and recruited.</p> <p>Appropriate premises for conducting activities can be found and rented or received as a donation.</p> <p>Appropriate course materials are available for purchase and adaptation; original course materials can be developed during the Project's life.</p> <p>Funds are available from USAID and the GOB.</p> <p>Sufficient revenues are generated by IDEA.</p>

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: _____
From FY 85 to FY 89
Total U.S. Funding 2.7 million
Date Prepared: September 25, 1986

Project Title & Number: MANAGEMENT TRAINING 511-0580

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<u>Inputs:</u>	Implementation Target (Type and Quantity)		Assumptions for providing inputs:
<u>A.I.D.:</u>			
1. Technical Assistance	1. Resources for financing 97% of technical assistance costs: \$1,000,000.	AID, IDFA, and GOB accounting books and records.	1. AID and host country funding will be available.
2. Operating Expenses	2. Resources for financing approximately 59% of operating costs: \$499,000.		2. Participants will be willing to pay programmed dues and fees.
3. Commodities	3. Resources for financing 100% of commodities acquisition costs: \$266,000.		
4. Training	4. Resources for financing 42% of training costs: \$170,000.		
5. Course Costs	5. Resources to cover approximately 52% of course costs: \$429,000.		
6. Contingencies	6. Funds to cover approximately 72% for contingencies \$336,000		
	<u>Total AID contribution</u>		
	\$2,700,000.		
<u>HOST COUNTRY (IDEA AND GOB)</u>			
1. Technical Assistance	1. Resources to finance 3% of TA costs: \$30,000.		
2. Operating Expenses	2. Resources for financing approximately 41% of operating expenses \$342,000.		
3. Training	3. Resources for financing 58% of training costs \$230,000.		
4. Course Costs	4. Resources to cover approximately 48% of course costs \$395,000.		
5. Contingencies	5. Funds to cover approximately 28% for contingencies \$130,000		
	<u>Total Host Country contribution</u>		
	\$1,127,000.		

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La Paz, Septiembre 18 de 1986
IDEA-ED-535/86

Señor
David Cohen
Jefe de Misión
USAID/Bolivia
Presente

Señor Director:

Después de un año de la firma del acuerdo cooperativo entre USAID/Bolivia y la Confederación de Empresarios Privados de Bolivia para poner en práctica el proyecto I.D.E.A., es grato para mí señalar que el mismo, se encuentra ya en plena vigencia con resultados que han superado las expectativas más optimistas tanto de este Directorio como de USAID.

Es así que a sólo dos meses del Primer Seminario de Inauguración del 18 de Julio de 1986, se han realizado ya 21 Seminarios cubriendo los cuatro niveles de la empresa privada: Alta Gerencia, Mandos Medios, Personal de Apoyo y Pequeña Empresa; con un total de más de 1.000 participantes. Adicionalmente, el Instituto ha justificado ya su carácter de organismo nacional, por cuanto en Cochabamba se tiene en funcionamiento la Oficina Regional, mientras que en Santa Cruz se está organizando la misma. De manera similar el Instituto ha llevado a cabo actividades académicas en Oruro y Sucre. A muy corto plazo se iniciarán nuestras actividades en Tarija y Potosí.

De acuerdo a la planificación original, a la fecha deberíamos estar recién dictando nuestro noveno seminario, lo que significa que el ritmo de actividades académicas ha duplicado lo originalmente planificado; lo que en los hechos ha significado incurrir en costos que originalmente no estaban programados, para atender las necesidades emergentes para la realización de dichas actividades.

Como verá, señor Director, el recuento de actividades de I.D.E.A. al presente es altamente positivo a pesar de algunas demoras no atribuibles directamente al mismo, tales como el considerable retraso en la firma del Contrato con Westinghouse y la llegada de la Asistencia Técnica, como también la selección definitiva del personal ejecutivo.

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Por otra parte, desde el punto de vista presupuestario, fue necesaria la máxima restricción en el rubro de Contingencias a una suma prácticamente nominal de US\$ 36.000.-, para todo el proyecto, para poder incrementar el presupuesto destinado a la Asistencia Técnica y satisfacer los requerimientos de Westinghouse.

Las razones anotadas, así como el ritmo de actividades académicas superan lo esperado, y las expectativas expresadas por las distintas Federaciones de Empresarios Privados del interior, por tener al menos una oficina de representación de I.D.E.A. para planificar y coordinar las actividades a realizarse en cada ciudad, nos motiva a solicitar a USAID un incremento en el apoyo económico de valor de US\$ 700.000.-, los que se distribuirán en lo que resta de vida del proyecto sustancialmente en los ítems de Contingencias, apoyo a las Oficinas Regionales del interior y Costos de cursos.

En la seguridad de que USAID respaldará este proyecto que es de fundamental importancia para el desarrollo de la empresa privada, y por ende de la economía del país, deseo expresarle en nombre del directorio y mío personal, nuestro anticipado agradecimiento por la acogida a esta solicitud.

Muy atentamente,


Ing. Jorge E. Lonsdale
Presidente

JEL/eb

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