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AGENCY FOR INTERNATIONAL DEVELOPMENT  
UNITED STATES OF AMERICA A. I. D. MISSION  
TO EL SALVADOR  
C/O AMERICAN EMBASSY.  
SAN SALVADOR, EL SALVADOR, C. A.

FEB 2 1988

ACTION MEMORANDUM FOR THE DIRECTOR

From: Priscilla Del Bosque, Office of Projects

Subject: International Executive Service Corps, Technical Assistance to Business, Project No. 519-0302.

Problem: Your approval is required to extend the Project Assistance Completion Date (PACD) of the subject Project by one year from January 31, 1988, to January 31, 1989.

Background: International Executive Service Corps (IESC) is a U.S. Private Voluntary Organization (PVO), which recruits the services of retired businessmen to provide technical assistance on a voluntary basis to private and public institutions in the developing world. On March 18, 1985, USAID/El Salvador authorized a three year OPG to IESC for the amount of \$500,000 to provide technical assistance to private sector enterprises and organizations. The Grant includes \$315,000 for technical assistance to be provided to 50 firms, and \$185,000 for local administrative expenses related to IESC's operation in El Salvador. As of December 31, 1987, IESC had assisted 21 companies contributing to the economic reactivation of El Salvador. By offering the technical expertise of retired executives or technicians on a one-to-one basis to Salvadoran private sector enterprises, IESC has helped these companies to achieve increased productivity, cost savings, improved management and/or the creation of new job opportunities.

The type of assistance rendered under the Project has been varied. Specific examples include evaluation of machinery, equipment and production methods for IMACASA, a company that produces farm implements; a quality control system for INDUSTRIAS DIVERSAS, a small business producing Christmas tree ornaments; evaluation of existing sales and marketing operations for PRODUCTOS CASEROS, a fruit jam factory; evaluation of local soil and climatic conditions for a flower plantation; and evaluation of production standards and recommendations for improving production schedules, quality control and training methods for INDUSTRIAS TEXTILES CUSCATLAN, a women's apparel manufacturer, etc.

In a letter dated January 8, 1988, the IESC Director of Operations for El Salvador, Mario R. Sulit requested an unfunded extension of the Grant's PACD for a one-year period. During this period IESC expects to complete 18-20 additional technical assistance projects, utilizing the balance of \$216,163 in Grant funds unexpended as of December 31, 1987. Of this total \$71,163 would be used to support local operations and \$145,000 to finance travel and per diem for the technical assistance projects.

Discussion: During the first two years of the Project, it was difficult for IESC to recruit volunteers to come to El Salvador because of the political unrest reigning in the country and adverse media reporting on the Salvadoran situation; thus IESC fell short of its target, completing only 21 projects by January 15, 1988, instead of the 50 planned.

Last year in response to a worldwide demand for increased assistance from IESC, the company's headquarters in Stamford assigned 15 more recruiters to its international program. As a result, 1987 was more successful for El Salvador, with 11 of the 21 technical assistance projects completed to date initiated during 1987.

For 1988, if the extension is approved, IESC expects to recruit executives for some 18 to 20 projects through a continuation of its intensified recruiting efforts and the positive references obtained from returning Executive Volunteers. These projects will be financed with funding already obligated.

A Mission review of the IESC request was held on January 15, 1988. During this review, PRE noted that although no formal evaluation has been conducted for this Project, the IESC Country Director produces a one page evaluation report of each of its individual technical assistance projects (see attachment). This report comments on the success of the project, potential contribution to the economy, effect on other enterprises, and finally the client's evaluation of the activity. The consensus of the Mission review meeting was that the Project has been successful. However, it was agreed that Mission should urge IESC to improve the percentage of A.I.D. Grant funds allocated to IESC's technical assistance outlays, with a resulting reduction in administrative costs.

Authority: In accordance with Certificate of Appointment and Delegation of Authority 149.1.30 from June 1, 1985, Grant Officer, John P. McAvoy has the authority to sign Cooperative Agreements and Amendments thereto, in amounts not exceeding \$5,000,000.00 per transaction. Mr. McAvoy is prepared to sign Amendment No. 1 to the Cooperative Agreement for Project No. 519-0302, upon your approval of this Action Memorandum. Your authority to extend Project Assistance Completion Dates for a cumulative period of not to exceed two years derives from Delegation of Authority No. 754 dated October 21, 1985. Since this is the first PACD extension, it is within the authority previously cited. The Amendment proposed herein is unfunded.

Recommendation: That you approve the extension of the PACD to January 31, 1989, and sign the attached Cooperative Agreement Amendment No. 1.

APPROVED: [Signature]  
DISAPPROVED: \_\_\_\_\_  
DATE: 2/23/88

Drafted by:	FGiron, PRJ	Date	1/22/88
Cleared by:	SStephenson, PRE (draft)	Date	2/03/88
	PDelBosque, PRJ (draft)	Date	2/09/88
	JMcAvoy, CO (draft)	Date	2/10/88
	FLatham, CONT (draft)	Date	2/11/88
	WKaschak, AD/PPD	Date	2/22/88
	BSchouten, DDIR	Date	2/22/88

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UNITED STATES OF AMERICA A. I. D. MISSION  
TO EL SALVADOR  
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SAN SALVADOR, EL SALVADOR, C. A.

February 26, 1988

Mr. Mario Sulit  
Director of Operations  
International Executive Service Corps  
3a. Calle Poniente y Pasaje 1 No. 5-91  
Colonia Escalón  
San Salvador

Subject: A.I.D. Grant No. 519-0302-A-00-5205-00  
International Executive Service Corps  
Technical Assistance to Business  
Amendment No. 1

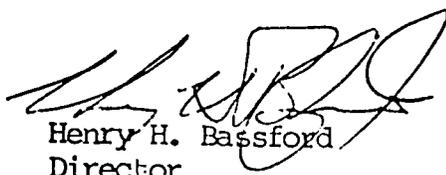
Dear Mr. Sulit:

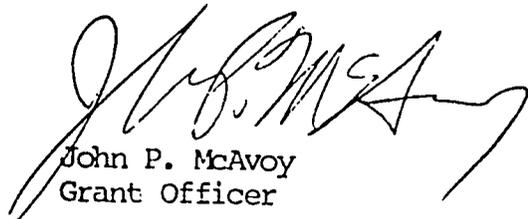
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby amends the above referenced Cooperative Agreement dated March 18, 1985, with the International Executive Service Corps (hereinafter referred to as "IESC" or "Grantee"), in order to extend for one year the Project Assistance Completion Date (PACD). For this purpose, Section B, "Period of the Grant," and Section D, "Financial Plan," of the Attachment 1 to the Cooperative Agreement, Schedule, are amended in accordance with Attachment 1.

All other terms and conditions remain unchanged.

Please sign the original and three (3) copies of this letter to acknowledge acceptance of the terms and conditions herein elaborated and return the original and two (2) copies to USAID/El Salvador.

Sincerely,

  
Henry H. Bassford  
Director

  
John P. McAvoy  
Grant Officer

Accepted by: Mario R. Sulit  
Mario Sulit  
Director of Operations  
IESC/El Salvador

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Attachment 1

1. In Section B.1 and B.2 of the Schedule, delete "January 31, 1988" and substitute "January 31, 1989" therefor.
2. In Section D. "Financial Plan," of the Schedule, the Illustrative Financial Plan is deleted in its entirety and the following is substituted therefor:

Illustrative Financial Plan  
in U.S.\$ a/

Line Item	<u>USAID/El Salvador</u>			<u>AID/W</u>	<u>Counterpart</u>		<u>Total</u>
	<u>Feb. 1, 1985 Dec. 31, 1987</u>	<u>Jan. 1, 1988 to Jan. 31, 1989</u>	<u>Total</u>	<u>Core Grant<sup>b/</sup></u>	<u>Subsid.Client Cont.</u>	<u>Full Pay Client Cont.</u>	
Local Operating Expenses	146,350 *	71,150	217,500	0	0	0	217,500
Directors Salary and related expenses	0	0	0	150,000	0	0	150,000
Sub-project Development	137,500	145,000	282,500	0	285,000	720,000	1,287,500
Total	<u>283,836</u>	<u>216,164</u>	<u>500,000</u>	<u>150,000</u>	<u>285,000</u>	<u>720,000</u>	<u>1,655,000</u>

\* Includes vehicle (US\$12,858.00)

a/ All local operating expenses are colon costs subject to Standard Provision No. 17 of the Standard Provisions contained in Attachment 3.

b/ The AID/W Core Grant column and Fully-Paying Clients Contribution column are presented for informational purposes to reflect the entire IESC program in El Salvador.