

U N C L A S S I F

AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D. C. 20523

PROJECT PAPER
AMENDMENT 5

PAKISTAN: Development Support
Training (391-0474)

September 20, 1988

U N C L A S S I F I E D

UNCLASSIFIED

PROJECT PAPER

AMENDMENT NO. 5

PAKISTAN: DEVELOPMENT SUPPORT TRAINING (391-0474)

September 20, 1988

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PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
C = Change
D = Delete

Amendment Number

5

DOCUMENT CODE

3

PAKISTAN

3. PROJECT NUMBER

391-0474

6. PROJECT TITLE (maximum 60 characters)

Development Support Training

4. BUREAU/OFFICE

ASIA & NEAR EAST

7. ESTIMATED DATE OF OBLIGATION (Under "B" below, enter 1, 2, 3, or 4)

MM DD YY
1 | 2 | 3 | 1 | 9 | 1

A. Initial FY 83

B. Quarter 2

C. Final FY 90

8. COSTS (\$000 OR EQUIVALENT \$) =

A. FUNDING SOURCE	FIRST FY 83			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
Appropriated Total	3,900	100	4,000	42,250	32,750	75,000
(Grant)	(3,900)	(100)	(4,000)	(42,250)	(32,750)	(75,000)
(Loan)	(-)	(-)	(-)	(-)	(-)	(-)
Other	-	880	880	-	5,217	5,217
U.S. Govt	-	80	80	-	17,300	17,300
Non-U.S. Govt	-	-	-	-	-	-
(Co-Financing)	-	-	-	-	-	-
TOTALS	3,900	100	4,960	42,250	55,267	97,517

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) ESP	663	720		55,500	-	10,000	-	75,000	-
(2)									
(3)									
(4)									
TOTALS				55,500	-	10,000	-	75,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

710 720 760

11. SECONDARY PURPOSE CODES

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

TNG

48,000

13. PROJECT PURPOSE (maximum 480 characters)

To upgrade the managerial and technical expertise of Pakistanis in the public and private sectors who are involved in the planning, development and implementation of Pakistan's priority social and economic development programs.

14. SCHEDULED EVALUATIONS

Interim MM YY 07 85 MM YY 10 88 Final MM YY 10 90

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify) 901

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 11 page PP Amendment)

To increase LOP funding from \$40 million to \$65 million in order to continue ongoing activities for the extended life of project.

17. APPROVED BY

Signature

James A. Norris

Title

Director, USAID/Pakistan

Date Signed

MM DD YY
019 20 88

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

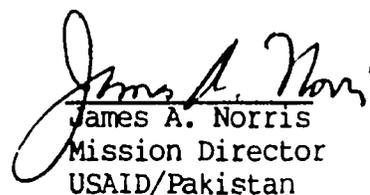
Project Authorization Amendment

Name of Country: Pakistan
Name of Project: Development Support Training
Project No.: 391-0474

1. The Development Support Training Project (DSTP) for Pakistan was authorized by the USAID/Pakistan Mission Director on March 15, 1983 with LOP funding of not to exceed \$10.0 million in ESF grant funds and a PACD of March 31, 1988. On April 22, 1986, an additional \$15.0 million in ESF grant funds was added for a new LOP funding of not to exceed \$25.0 million, and the PACD was extended to March 31, 1990. On December 9, 1985, the Project Authorization was further amended to allow for Development Assistance funding. On June 16, 1987, an additional \$5.0 million in ESF grant funds was added for a new LOP funding of not to exceed \$30.0 million. On September 20, 1987, an additional \$10.0 million in ESF grant funds was added for a LOP funding of not to exceed \$40.0 million. On March 26, 1988, an additional \$25.0 million in ESF grant funds was added for a new LOP funding of not to exceed US \$65.0 million and the PACD was extended by an additional period of nine months, i.e. from March 31, 1990 to December 31, 1990.
2. Pursuant to Sections 531 and 106 of the Foreign Assistance Act, as amended, the original Project Authorization is hereby amended as follows:

I hereby authorize additional planned obligations not to exceed Ten Million United States Dollars (\$10,000,000) in ESF grant funds, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to assist in financing foreign exchange costs and local currency costs for this Project. The total planned obligations for this Project shall not exceed Seventy Five Million United States Dollars (\$75,000,000) in grant funds.
3. I further authorize extension of the Project Assistance Completion Date (PACD) by an additional period of one year, i.e. from December 31, 1990 to December 31, 1991.
4. All other provisions of the Original Project Authorization and Amendments thereto shall remain in full force and effect except as hereby amended.

Approved Disapproved


James A. Norris
Mission Director
USAID/Pakistan

Sept 22, 1988
Date

Clearance: AA
 HRD: DSprague: DSprague
 PDM: RWNachtrieb/Schäfer Schäfer
 PRO: FWlate: FWlate
 FM: ADPratt: ADPratt
 DD(A):PDavis: PDavis

BQ
 RLA: BQadir: KFMKasin: mh: 9/12/88
 1939R KFMKasin

ACTION MEMORANDUM FOR THE MISSION DIRECTOR, USAID/PAKISTAN

Thru : Robert W. Nachtrieb, Chief, O/PDM
: Peter Davis, DD(A)
From : David Sprague, Chief, O/HRD
Subject : Development Support Training Project (DSTP)
(391-0474) - Authorization Amendment

I. Problem: You are requested to authorize an increase in life of project (LOP) funding for the Development Support Training Project (DSTP) by \$10 million, from \$65 million to \$75 million, and an extension of PACD by one year from December 31, 1990 to December 31, 1991.

II. Background: The project was authorized by the USAID/Pakistan Mission Director on March 15, 1983 with LOP ESF Grant funding of \$10 million and a Project Assistance Completion Date (PACD) of March 31, 1988. On April 22, 1986 the LOP ESF Grant funding was raised by \$15 million to \$25 million, and the PACD extended to March 31, 1990. On June 16, 1987 the LOP ESF Grant funding was further increased by \$5 million to \$30 million. On September 20, 1987, the LOP ESF Grant funding was further increased by \$10 million to \$40 million. On March 28, 1988, LOP ESF funding was further increased by \$25 million to its current level of \$65 million and PACD extended to December 31, 1990.

The Project has four major components: (1) participant placement/training for all USAID projects in which participants are sent for long and short-term training in the U.S. and in third countries; (2) strengthening of local public and private sector management training institutions and increasing their capacity to undertake management training; (3) management and technical training in priority target areas including private sector management, management training for women, and vocational/technical training and institutional development in Baluchistan and NWFP; and, (4) training in English as a second language (ESL) to increase priority candidates' English capacity to facilitate U.S. institutional placement and training.

Since the beginning of DSTP in 1983, over 3,500 public and private sector participants have been processed for third country or U.S. technical and long-term training programs. The GOP, through the Ministries of Science and Technology and Education, is financing over 300 M.S. and Ph.D scholarships to the U.S. with administrative support provided by the DSTP participant training subcontractor. More than 450 individuals have participated in in-country management training programs.

Assistance has also been provided to 17 training institutes in the public and private sectors to improve their capability by providing technical assistance training to trainers, and commodities such as books, audio-visual equipment, computers, etc.

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Private sector response to training opportunities has been exceptionally strong and receives increasing support from the GOP. The Lahore University of Management Sciences (LUMS) was established in 1985 by a charter granted by the President of Pakistan and published in the Gazette of Pakistan on March 31, 1985. The University has established a School of Graduate Administration to meet the critical need for high professional managers in Pakistan. In 1985, 48 students enrolled for Master's Degree in Business Administration, out of which 33 graduated this year. Over a period of five years, the University plans to expand its capacity to 100 graduates each year. During the past year LUMS arranged three short-term workshops and seminars, in which 112 executives from the private and public sectors participated.

LUMS has requested a grant of Rs.181 million (\$10 million equivalent) (Rs. 140 million for construction of facilities, Rs. 23 million for commodities and Rs. 18 million for meeting operating deficit for the next three years) from USAID. The Government of Pakistan has approved the request, but on a 50:50 matching basis. Based on funds raised to date, an initial tranche of Rs. 81 million, or \$4.5 million equivalent, is proposed. Given below is proposed funding for LUMS for the first three years:

Proposed Funding for Years 1988-89 to 1990-91 (3 years)
(Million Rupees)

	AID Grant			Tuition, Fees and Consultancies	Income from Endowment)	Dona- tions	Total
	Ph-1	Ph-2	Total				
Land	-	-	-	-	-	20.0	20.0
Construction	75.0	65.0	140.0	-	-	-	140.0
Commodities	-	23.0	23.0	-	-	12.7	35.7
Operating Costs	6.5	11.5	18.0	23.5	14.8	-	56.3
Endowment	-	-	-	-	-	110.0	110.0
Contingency	-	-	-	-	-	-	-
	81.5	99.5	181.0*	23.5	14.8	142.7	362.0

* Equivalent to U.S. \$10 million @ \$ 1.00 = Rs.18.10.

Two grants of \$500,000 each were made to LUMS in FY 1986 and FY 1987 for scholarships, and support costs for faculty exchanges with top level U.S universities. These grants were made under DSTP.

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At the time of the last amendment of DSTP, the Mission agreed to Washington's suggestion (State 38991) to consider including further assistance to LUMS in the proposed Institutional Excellence Project (IEP). However, the GOP has asked for immediate action on the LUMS grant, and IEP will not be ready for obligation until FY 89 at the earliest. Further, the Mission has undertaken considerable work over the past several months to identify constraints LUMS faces, its role and potential in Pakistan's educational system, its strengths and weaknesses. On the basis of this exercise, the Mission considers it appropriate to include support for LUMS in DSTP rather than IEP.

III. AID/W Concerns: Addressed below are concerns expressed by AID/W in connection with providing support to LUMS from the DST Project, as conveyed in cable STATE 038991:

1. Institutional Constraints: One of the concerns raised by AID/W was about institutional constraints faced by LUMS and the project's strategy for addressing them.

The principal constraint LUMS faces is capital for campus construction and a reliable, adequate source of income for operations. The proposed grant, matched by fund raising, directly addresses both needs.

This University was established in response to the Government of Pakistan's call for contributions by the private sector to education and training because of the government's limited resources. Financing for this venture has come from the corporate sector of Pakistan through creation of and donations to the National Management Foundation (NMF). As on August 10, 1988, donations of Rs. 97,409,345 (over \$5.4 million) were pledged, of which Rs. 83,016,011 (over \$4.6 million) were received by the Foundation. Additional donations of Rs. 15 million (approximately \$0.8 million) are expected to be received by September 1, 1989.

The Foundation expects that it will eventually be able to provide enough funds to the University to meet its operating expenses from tuition fees and income from an endowment created from donations. NMF expects to collect enough donations by the year 1991 to capitalize an endowment to generate sufficient income to provide support to the University. Total donations of Rs. 142 million are expected to be raised by end of 1991 out of which Rs. 110 million will capitalize an endowment, expecting to yield an annual income of Rs. 16.5 million. Over the past few months, staff of USAID Mission and LUMS have exchanged several visits during which sufficient evidence has been provided by LUMS to assure the Mission that the Foundation will be able to meet the stated targets. A covenant to this effect will be included in the Project Grant Agreement.

At present the income from Rs. 50 million deposited into banks as fixed deposits is not enough to meet current operating expenses. Moreover, funds are required for construction of a suitable campus for the

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University. The University presently occupies rented premises. The University has purchased, with its own resources, approximately 60 acres of land for construction of the campus. The University plans to use the initial tranche from USAID for a first phase of construction, and to help meet deficits in operating expenses for the first three years. Subsequent USAID tranches, matching additional funds raised, will complete additional construction phases, and the funds raised from other sources will increase the endowment.

No other serious institutional constraints impede LUMS. It has successfully achieved autonomy, world-class academic standards, an enviable reputation, a highly qualified and motivated faculty, and a large pool of applications from which it selects its student body based on standards used by U.S. Universities including GMAT Scores and without surrendering to the political pressures and influences plaguing other schools in Pakistan. It is well managed, and has forward thinking and dynamic leadership. LUMS has an excellent accounting system with well-qualified staff on its payroll. A reputable firm of Chartered Accountants has been retained as auditors and financial advisors. The Mission staff has thoroughly gone through the accounting system and found it acceptable for USAID financing.

The principal constraint is funding. AID assistance for construction and for the first three years of operating costs, and aggressive fund raising by LUMS to raise its endowment to Rs. 110 million, will directly address this constraint.

2. Fit into the DST Project: Another question raised by AID/W was how the support to LUMS will fit into the Mission's broader training strategy.

The goal and purpose of the DST project are to upgrade management and technical expertise of Pakistanis in Government and in the private sector involved in Pakistan's social and economic development. LUMS' contribution towards achieving this goal will be in two ways; first by offering post-graduate education leading to Master of Business Administration (MBA) degree and second by arranging short courses, workshops and seminars for both business executives and public officials. In its first batch, which graduated in 1988, 33 persons completed MBA degree of which five were women. During the year 1987-88 LUMS arranged three workshops and seminars, which were attended by 91 executives from private sector and 21 persons from public sector.

During the next three years, LUMS plans that 120 persons will graduate as MBA, of which 30 are expected to be women. LUMS also plans to arrange 15 short-term workshops and seminars to be participated by approximately 520 persons.

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3. FAA Section 611 Certification: The third concern of AID/W was about preliminary plans and cost estimates for construction and meeting requirements of FAA Section 611.

a. Land Ownership: LUMS has already purchased land and has provided documentation of LUMS' right to its ownership, use and occupancy. All documentation has been reviewed by RLA. The land comprises nineteen contiguous parcels. LUMS has paid full for all nineteen and has obtained possession thereof. All legal documentation has been completed for thirteen and is in process for the remaining six. With the assistance of an attorney in Lahore, O/RLA is monitoring the progress. No funds will be passed to LUMS without complete satisfaction that full land title for all parcels vests in LUMS.

b. Construction: The site has been inspected by O/ENG and deemed satisfactory for construction of the campus.

LUMS has contracted with a reputable Pakistani A&E firm, Habib Fida Ali, which has prepared and submitted schematic site plans and designs for the facilities, which have been approved by O/ENG. The A&E firm has also prepared construction cost estimates for the facilities, which have been reviewed by O/ENG and found to be reasonable and sound. They are based on actual 1988 costs of construction for airconditioned and non-airconditioned buildings in Lahore.

LUMS has selected a qualified senior civil engineer to be hired as Project Director to monitor and coordinate construction activities of the campus. The incumbent has extensive incountry and overseas experience of similar projects.

LUMS will contract with one or more local construction firms, selected competitively, to build the facilities. The local A&E firm will assist LUMS and the Mission staff in monitoring and supervising the actual construction work.

c. Environmental Analysis: Inasmuch as the grant to LUMS will support construction of facilities, preliminary environmental assessment is necessary. Prior to award of any construction or construction services contracts for these facilities, environmental criteria shall be met. These include proper water, wastewater and solid waste management services. The design criteria used for the facilities will be reviewed by the Mission Environmental Officer who will be required to certify that appropriate water, wastewater and solid waste management services have been included in the design prior to approval of the disbursement of funds for construction services.

In addition, the design criteria will require that the Department of Archaeology certify that the proposed construction activities will not negatively impact archaeological and/or historical sites.

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IV. Project Committee's Concerns: Before finalization of this Action Memorandum, the project committee met and raised some concerns about the utilization of the first tranche of \$4.5 million. The attached Copy of Memo dated September 7, 1988 (Tab A) from the Mission staff who visited LUMS on August 31, 1988 addresses those concerns.

V. Description of Project Amendment: This amendment requests an increase in the LOP ESF Grant funding of \$10 million from \$65 million to \$75 million, out of which \$4.5 million will be obligated in FY 1988. These additional funds are needed to provide support to LUMS in the form of a grant, primarily for construction of campus facilities. Request for the balance \$5.5 million will be approved by the GOP and passed to USAID when LUMS has raised matching donations.

A. Project Goal and Purpose: The project goal and purpose remain the same as for the original DSTP project, i.e. upgrading management and technical expertise of Pakistanis in Government and in the private sector involved in Pakistan's social and economic development.

B. Project Funding

It is planned to increase the LOP funding by elements as follows:

- Element -	<u>Original</u> <u>per PP</u> <u>(\$000)</u>	<u>Current</u> <u>Amended</u> <u>(\$000)</u>	<u>Proposed</u> <u>Increase</u> <u>(\$000)</u>	<u>Revised</u> <u>Total</u> <u>(\$000)</u>
Technical Assistance (U.S. Long-Term & Short-Term)	3,934	17,925	0	17,925
Training (In-country, 3rd Country and U.S.)	4,832	43,525	0	43,525
Commodities (Instructional Material, Vehicles, Equipment, furniture and books)	160	1,450	1,250	2,700
Construction	0	0	7,750	7,750
Other Costs and Evaluation	203	2,100	1,000	3,100
Contingency	871	0	0	0
Total:	10,000	65,000	10,000	75,000

September 18, 1988

C. Major Outputs

It is anticipated that this project amendment will increase the major outputs of the project as follows:

<u>Category</u>	<u>Original</u> <u>Estimates</u> per PP	<u>Current</u> <u>Estimates</u> Per Amdt	<u>Revised</u> <u>Estimates</u> Now Proposed
Individuals trained in Pakistan	1,622	4,000	4,640
Individuals trained in 3rd Countries	88	1,200	1,200
Individuals trained in the U.S.A.	140	7,200 <u>1/</u>	7,200 <u>1/</u>
Intensive English Language courses	3	32	32
Strengthened Training Institutions	4	20	21
Students Earning 500+ TOEFL Scores	0	1,300	1,300 <u>2/</u>

1/ Total Mission Participant Training Program

2/ Includes Asia Foundation courses

D. Need for Requested Increase: Authorization of the \$10 million increase in the LOP funding is requested in order to obligate and earmark funds for support to LUMS, primarily to meet construction costs and equipment for the campus for the Graduate School of Business Administration, and, partially to meet the deficit in operating expenses of LUMS until the time the National Management Foundation is able to raise enough donations to create an endowment to generate sufficient income to meet the operating expenses.

VI. Authority: By Cable STATE 038991 dated February 9, 1988 (Tab B) and STATE 62372 dated March 1, 1988 (Tab C), you have been delegated ad hoc authority by AID/W to authorize increases in the LOP funding by U.S. \$100 million for a new total of U.S. \$140 million; this amendment is within these amounts. And, by Delegation of Authority No. 652, Section 2.A.(4), you are authorized to extend PACD which does not have a life of project funding in excess of ten years.

VII. PP Amendment: This Action Memorandum supplements the PP. All other aspects of the PP remain in full force. Substantive circumstances surrounding this project have not changed. It is accordingly appropriate to reaffirm the following certifications and waivers:

1. Waiver for A.I.D. payment of International Participant Travel Costs;

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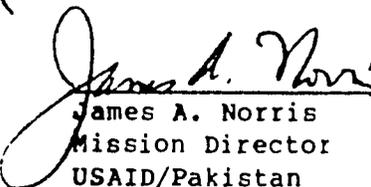
2. Source/Origin and Nationality Waiver for Vehicles; and,
3. FAA Section 612(b) certification for disbursement of US Dollars in lieu of US-owned excess foreign currency to pay for local costs of the project.

In addition, FAA Section 611(e) certification is attached herewith (Tab D), for your signature. Also attached (Tab E) is GOP's letter of request for a grant to the Lahore University of Management Sciences (LUMS).

VIII. Congressional Notification: Language for Congressional Notification for obligation of \$4,500,000 from OYB 1988 ESF funds was transmitted to AID/W by cable ISLAMABAD 015500 on July 20, 1988 (Tab F). The CN waiting period expired without objection on August 18, 1988.

IX. Recommendation: That, by signing the project authorization at Tab G you authorize an increase in the LOP funding by \$10 million to \$75 million, and extend the Project Assistance Completion Date (PACD) by one year from December 31, 1990 to December 31, 1991, and, by your signature below, also reaffirm the waiver and certifications cited above as provided in the original project paper.

Approved Disapproved


James A. Norris
Mission Director
USAID/Pakistan

Sept 20, 1988
Date

Clearances:

HRD - AHerriot:(Draft)
PRO - WTate:(Draft)
RLA - TCarter:(Draft)
ENG - HMMirza:(Draft)
E&E - JMorgan:(draft)
OFM - DPratt:(draft)

ID 3442p:sk:mak:sam

memorandum

DATE: September 07, 1988

REPLY TO
ATTN OF: Shahabuddin Khan, O/PDM & Hasan Masood Mirza, O/ENG *John*

SUBJECT: Visit to Lahore University of Management Sciences (LUMS) - August 31 and September 1, 1988

TO: Mr. Robert W. Nachtrieb, Chief, PDM *RWN*

I. PURPOSE:

This visit was a follow up of our previous visits to LUMS in January and July, 1988 and the visit of Mr. M. Ashraf, Treasurer of LUMS, to Islamabad on August 10, 1988. The main item for discussion was how to utilize the first tranche of \$4.5 million of the \$10 million grant to LUMS from the DSTP Project.

II. PERSONS MET:

1. Syed Baber Ali, Pro-Chancellor
2. Mr. Javed Rahim, Project Director (Designate)
3. Mr. M. Ashraf, Treasurer
4. Mr. M. Saeed Akhter, External Relation Manager
5. Mr. Husnain Lotia, Partner, Habib Fida Ali, A/E firm

III. DISCUSSIONS:

Very early on we were able to meet Syed Babar Ali. We explained to him that:

1. USAID would grant, as a first tranche, US \$4.5 million (equivalent to Rs.81.5 million). The balance \$5.5 million would be provided as and when equivalent donations were raised by the National Management Foundation (NMF). A covenant to this effect will be incorporated in the agreement between USAID and the Government of Pakistan (GOP).
2. Major portion of these funds were to be utilized for construction of the campus.
3. The revised construction cost estimates provided to USAID by LUMS indicated Rs.105.51 million (equivalent of \$5.83 million) for first phase construction and Rs.62.22 million (equivalent of \$3.44 million) for second phase construction.
4. Consequently, construction cost estimates (and proportionate facilities) for the first phase had to be revised to bring them

-2-

within \$4.0 million, since \$0.5 million were to meet operating cost deficits.

5. While reducing construction costs for phase I, care should be taken that the facilities constructed should be adequate enough to move the activities of LUMS out of the rented buildings to the campus.
6. The present Project Activities Completion Date (PACD) for the Project is December 31, 1990 and the schedule of construction activities for Phase-I should be prepared so that the construction activities are completed within this date.
7. Since the completed environmental assessment proforma and archaeological certificate were not received by USAID so far, a condition precedent to this effect would be incorporated in the USAID agreement with GOP.
8. USAID policies required that there should be sufficient participation by women in all development projects financed from USAID funds.

Syed Babar Ali introduced Mr. Javed Rahim, who had been selected to be LUMS' Project Director for campus construction activities. Mr. Rahim is a senior civil engineer with extensive incountry and overseas experience of similar projects.

Syed Babar Ali only stayed for preliminary discussions and left after giving broad outlines for revision of construction plans. Later, the construction plans were discussed in detail by rest of us. The presence of the Project Director-designate was very helpful. A visit to the site was also made.

Given below are the results of our discussions:

A. Construction Plans

The original Master Plan as attached to the PC-1, according to which the total cost for the first phase was Rs.283 million, was earlier revised to bring the cost estimates down to the available funds. According to the revised Master Plan (Attachment 1), the campus consists of following facilities:

1. Academic Block (Two Floors)
2. Executive Development Center with Residential Facilities.
3. Student Hostels
4. Convenience Services and Shopping Center
5. Residences for Faculty and Senior Staff
6. Residences for Junior Staff
7. Recreation Facilities

8. Mosque
9. Gate House
10. Fencing, infrastructure, etc.

The outcome of our discussion was revised construction cost estimates for both phases (Attachment 2) and a Schedule of Construction Activities (Attachment 3).

The first phase construction will include:

1. Completely finished Ground Floor of Academic Block (Attach. 4)
2. Structure Work for First Floor of Academic Block and completely finished four computer rooms, 2 students' common rooms, two toilets and a mechanical room (items 7, 8, 17, 18 and 19 of Attachment 5)
3. Necessary External Development (fencing, gate house, some housing for junior staff, required roads, sewerage, water supply, electricity and other required infrastructure)

In the second phase, following facilities will be completed:

1. Finishing the balance of the Academic Block.
2. 48 Rooms of Hostels
3. Executive Development Center less Academic Area and Carpark
4. More Housing for Junior Staff
5. More External Development Works

Remaining facilities, i.e., Residences for Faculty and Senior Staff, more Hostels, Academic Area and Carpark for Executive Development Center, Recreation Center, Shopping Center etc. will be constructed with funding sought from sources other than USAID.

B. Cost Estimates

During our last two meetings, Hasan Masood Mirza had discussed in detail the cost estimates with the A/E representative and they were revised by the latter as advised by Hasan. They are considered to be reasonable as required by USAID construction standards.

C. Schedule of Construction Activities

A schedule of construction activities was prepared (Attachment 2), according to which activities cannot possibly be completed by December 31, 1990. It would, therefore, be necessary that the PACD be extended by one year.

D. Verification of Title and Possession of Land

On August 22, 1988, a purchase order was issued to an attorney in

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Lahore to verify LUMS' title and possession of lands procured for the construction of campus. His report has yet to be received.

E. Adjustment of Funding by Line Items

In order to bring the estimated construction cost for the first phase within the available funds, it was agreed that \$4.140 million be made available for construction and \$0.360 for operating costs.

F. Participation by Women

Mr. M. Saeed Akhtar provided figures of women participants, according to which five women were among the 33 graduated this year and 30 are expected to be among the 120 planned to graduate during the next three years.

IV. CONCLUSION

We feel that the revised construction plans and costs are reasonable and that the facilities planned to be constructed in the first phase would be adequate enough to move LUMS activities out of the rented buildings to the campus. LUMS' representatives including Syed Babar Ali agreed with this conclusion.

V. ACTIONS

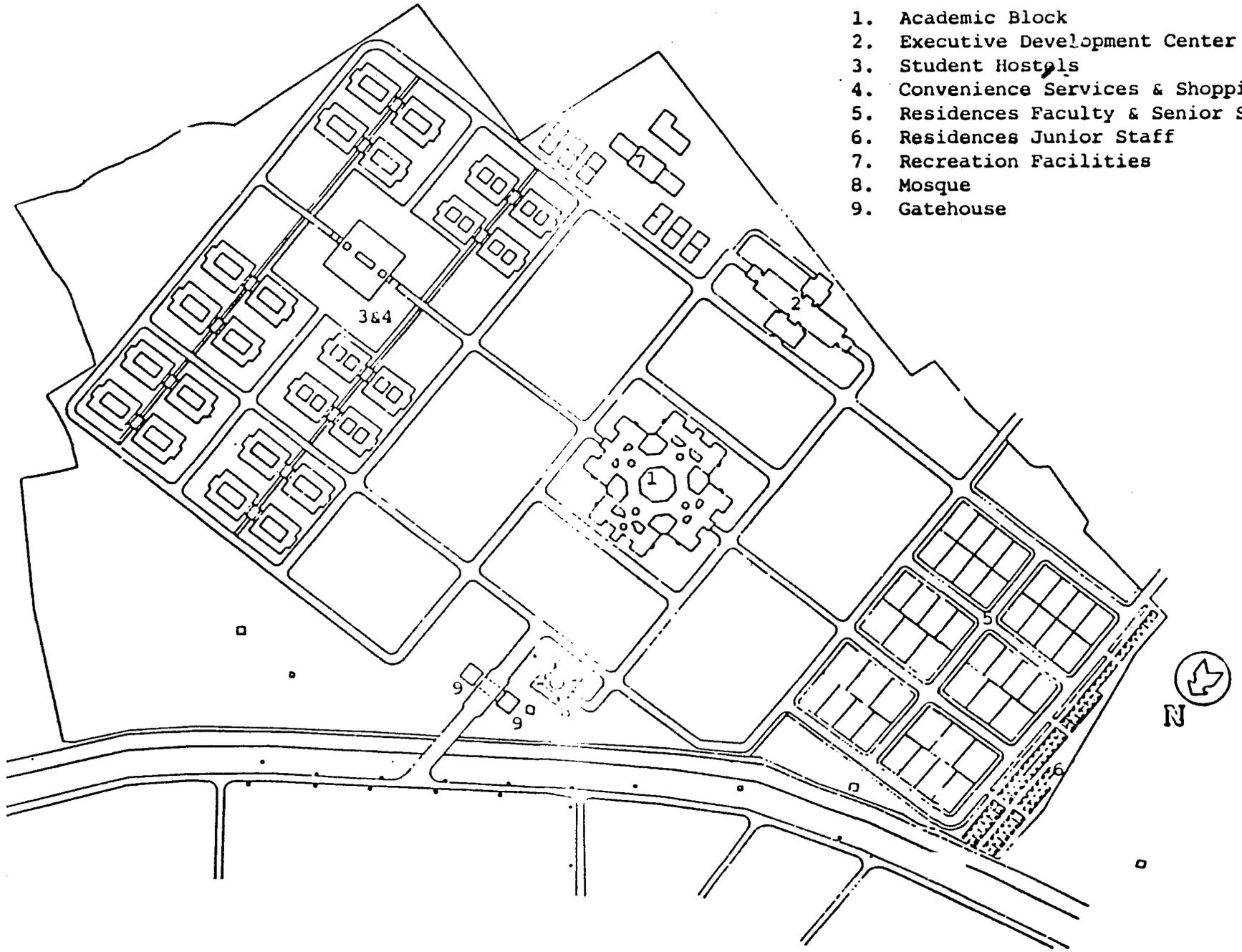
Before the Authorisation Amendment is signed, following actions are to be taken:

1. Follow up with the attorney in Lahore to get a report on LUMS' title and possession of land.
2. Revise Action Memorandum to extend PACD by one year and to change line item figures in the table of AID Inputs.
3. Revise draft of Amendatory Project Grant Agreement to change line item figures and to add PACD extension.

cc: Mr. Gene George, Chief, O/ENG
Mr. David Sprague, Chief, O/HRD

ID 4259S: SKhan:Sam

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1. Academic Block
2. Executive Development Center
3. Student Hostels
4. Convenience Services & Shopping
5. Residences Faculty & Senior Staff
6. Residences Junior Staff
7. Recreation Facilities
8. Mosque
9. Gatehouse

LAHORE UNIVERSITY OF MANAGEMENT SCIENCES

PHASE I
SCALE: 1 INCH = 100 FEET

LAHORE UNIVERSITY OF MANAGEMENT SCIENCES
Graduate School of Business Administration
Statement of Project Cost

Sep-01-88

Rupees x 1,000,000

COST ELEMENT	Phase 1				Total	Phase 2				TOTAL Phs 1&2
	88-89	89-90	90-91			90-91	91-92	92-93	Total	
A. CONSTRUCTION COSTS										
Academic Block	17.74	20.27	12.67	50.67	6.49	9.27	2.78	18.54	69.21	
Hostels 48 rooms					3.97	4.53	2.83	11.33	11.33	
Exec Dev Centre 50 rooms <i>less Academic Area and Carpark</i>					5.08	7.25	2.18	14.50	14.50	
External Development <i>incl. Landscaping, staff housing recreation center, roads fence, lighting, est drainage</i>	2.45	3.50	1.05	7.00	3.15	3.60	2.25	9.00	16.00	
Supervision Fee	1.00	1.00	1.00	3.00	0.50	0.50	0.28	1.28	1.28	
TOTAL BASE COST	21.19	24.77	14.72	60.67	19.18	25.15	10.32	54.65	115.32	
Contingencies @10%	2.12	2.48	1.47	6.07	1.92	2.52	1.03	5.46	11.53	
Inflation @12%	2.80	3.27	1.94	8.01	2.53	3.32	1.36	7.21	14.35	
TOTAL CONSTR. COST	26.10	30.52	18.13	74.75	23.63	30.99	12.71	67.33	141.21	

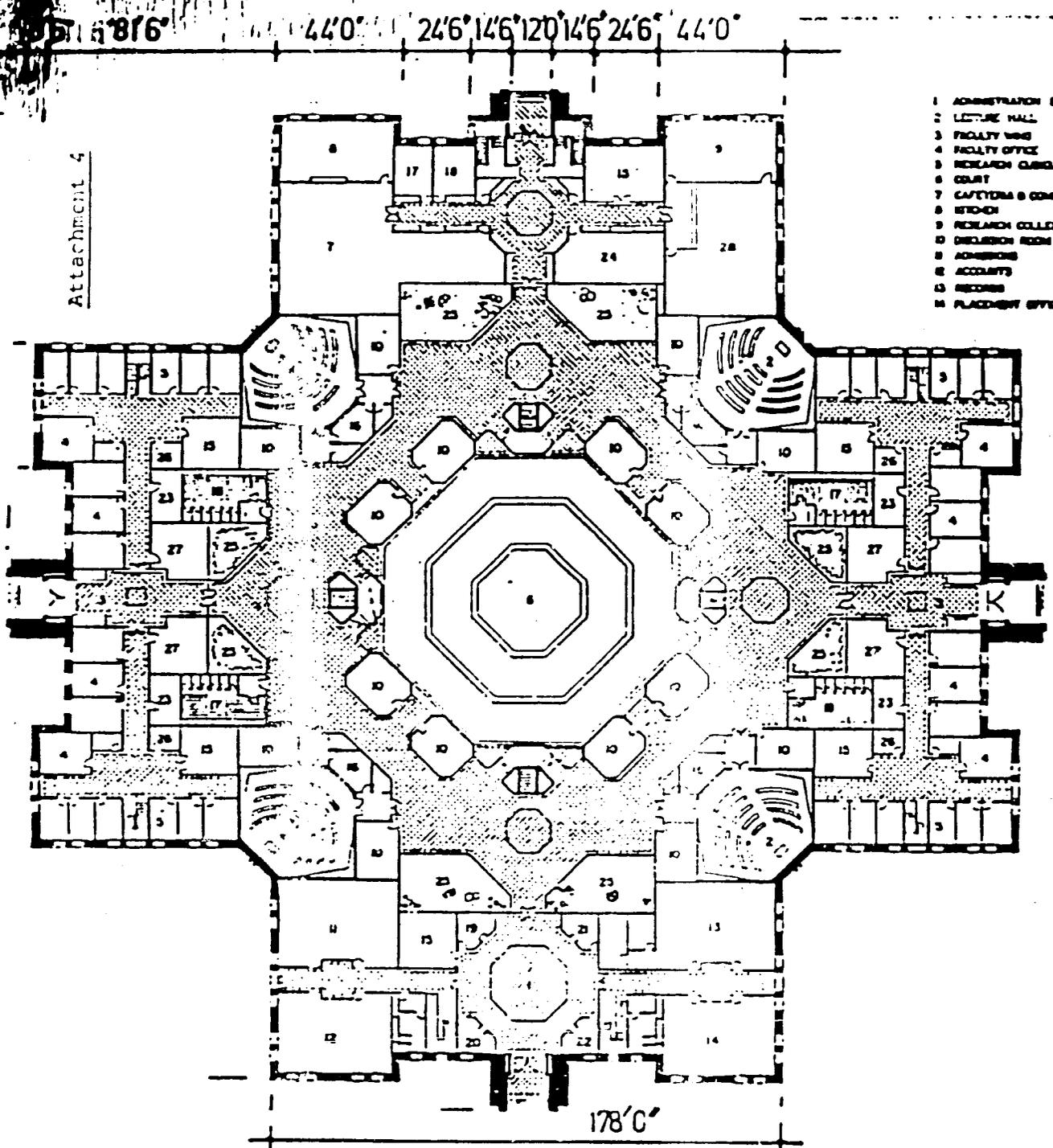
*In Phase 2, expansion of Academic Block
will be balanced by 56 rooms of the
Executive Development Centre*

Attachment 3

LAHORE UNIVERSITY OF MANAGEMENT SCIENS
Schedule for Construction Activities - Phase I

- | | |
|---|-----------------------|
| 1. Technical Consultation
(with Crissman Solomon, USA) | October 24-28, 1988 |
| 2. Prepare Working Drawaings and Float Tenders | Sep 1 - Dec 15, 1988 |
| 3. Receive Tenders | January 31, 1989 |
| 4. Evaluation of Tenders | Feb 1 - 28, 1989 |
| 5. Award of Contract | March 15, 1989 |
| 5. Mobilization | Mar 16 - Apr 15, 1989 |
| 7. Commencement of Construction | April 16, 1989 |
| 8. Completion of Construction | October 30, 1991 |

Attachment 4



- 1 ADMINISTRATION BLOCK
- 2 LECTURE HALL
- 3 FACULTY WING
- 4 FACULTY OFFICE
- 5 RESEARCH CLERK
- 6 COURT
- 7 CATERING & COMPUTER CENTRE
- 8 STORE-ROOM
- 9 RESEARCH COLLECTION
- 10 DECISION ROOM
- 11 ADMISSIONS
- 12 ACCOUNTS
- 13 RECORDS
- 14 PLACEMENT OFFICE

- 15 MEDICAL ROOM
- 16 PROJECTION ROOM
- 17 LADIES TOILET
- 18 GENTS TOILET
- 19 TELEPHONE / RELAX
- 20 RECEPTION
- 21 SECURITY
- 22 MAIL
- 23 STORAGE
- 24 BOOK STORE
- 25 POOL
- 26 TOILET
- 27 SECRETARIAL POOL
- 28 SEMINAR CENTRE

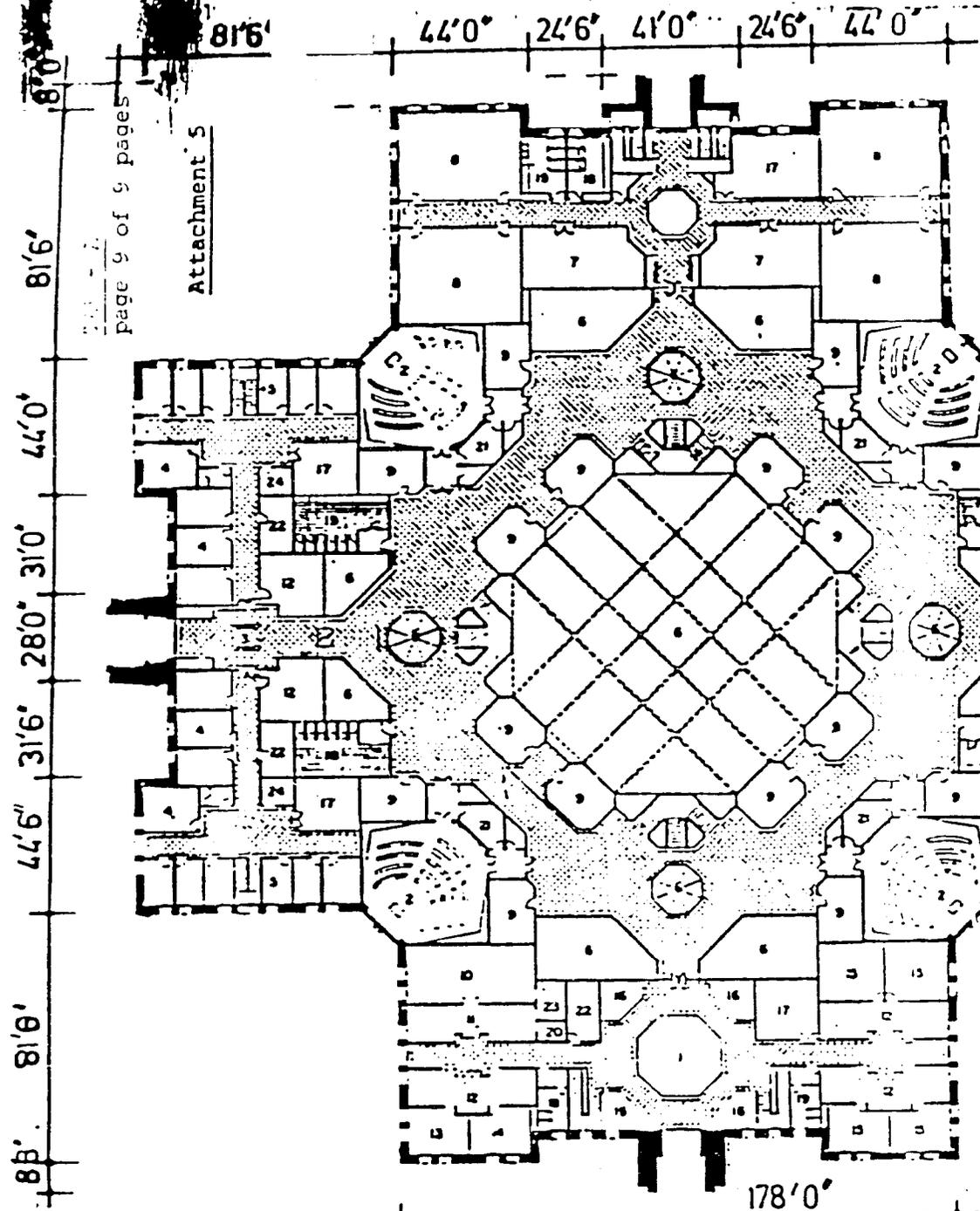
8'0"
8'18"
44'0"
31'0"
31'0"
31'0"
44'0"
8'18"
8'0"

8'16"
44'0"
24'6"
14'6"
12'0"
14'6"
24'6"
44'0"

178'0"

ACADEMIC GROUND FLOOR

LAHORE UNIVERSITY OF MANAGEMENT SCIENCE	
Graduate School of Business Administration	
HABIB FIDA ALI Chartered architect	LU



page 9 of 9 pages

Attachment 5

- 1 ADMINISTRATION BLOCK
- 2 LECTURE HALL
- 3 FACULTY WING
- 4 FACULTY OFFICE
- 5 RESEARCH LABS
- 6 OPEN TO BELOW
- 7 STUDENT'S COMMON ROOM
- 8 COMPUTER ROOM
- 9 DISCUSSION ROOM
- 10 CONFERENCE
- 11 LOUNGE
- 12 SECRETARIAL PCOL.
- 13 B.C.M.
- 14 DIRECTOR
- 15 ADMINISTRATION OFFICES
- 16 WAITING AREA
- 17 MECHANICAL ROOM
- 18 LADIES TOILET
- 19 GENTS TOILET
- 20 EXECUTIVE TOILET
- 21 PROJECTION ROOM
- 22 STORAGE
- 23 PARTY
- 24 TOILET

ACADEMIC FIRST FLOOR

LAHORE UNIVERSITY OF MANAGEMENT SCIENCE	
Graduate School of Business Administration	
HABIB FIDA ALI Chartered architect	LU

ANALYTICAL BASIS FOR A LEVEL OF 140 MILLION DOLS (INCLUDING ADDITIONAL RESOURCES OF 140 MILLION DOLS), PARTICULARLY GIVEN THAT 40 MILLION DOLS COVERED ALL MISSION TRAINING NEEDS IN THE 1983-87 PROGRAMMING PERIOD. THE BUDGET LEVEL SHOULD FLOW FROM AN ASSESSMENT OF NEEDS, GOP/PRIVATE SECTOR ABSORPTIVE CAPACITY, AND AID'S ABILITY TO SUPPORT THE PROJECT ADMINISTRATIVELY. PP AMENDMENT SHOULD INCLUDE TECHNICAL, ECONOMIC, FINANCIAL AND ADMINISTRATIVE ANALYSIS, AND FOR CONSTRUCTION COMPONENT, ENGINEERING ANALYSIS AND PRELIMINARY PLANNING NECESSARY TO DEVELOP REASONABLE COST ESTIMATES AND MEET THE REQUIREMENTS OF FAA SECTION 611. A BUDGET RELATED TO PROJECT COMPONENTS SHOULD BE DEVELOPED.

3. EXPERIENCE TO DATE: THE PROJECT EVALUATION, WHICH WAS GENERALLY FAVORABLE, WAS CONDUCTED IN LATE 1985, WHEN ACTUAL IMPLEMENTATION EXPERIENCE WAS RELATIVELY LIMITED, AND IT EXAMINED EXPERIENCE FOR A PROJECT MAGNITUDE OF ONLY 10 MILLION DOLS. EVEN SO IT IDENTIFIED CONSTRAINTS TO GREATER SUCCESS SUCH AS: INADEQUATE STAFFING FOR THE EXISTING LEVEL OF EFFORT; POLICY, JURISDICTIONAL AND PROCEDURAL PROBLEMS WITHIN THE GOP; LACK OF A COMPREHENSIVE HUMAN RESOURCES DEVELOPMENT PLANNING PROCESS OR NEEDS ASSESSMENT; VAGUENESS OF PRIVATE SECTOR OBJECTIVES; AND THE NEED TO FOCUS TRAINING ON AID'S PRIORITY SECTORS AND INVOLVE AID'S TECHNICAL DIVISIONS MORE IN TRAINING PLANNING. WE ARE UNAWARE OF HOW THE PROJECT HAS SUBSEQUENTLY ADDRESSED THESE FINDINGS, OR THE EXTENT TO WHICH THESE OR OTHER CONSTRAINTS MAY STILL NEED TO BE ADDRESSED IN AN EXPANDED PROJECT. A "LESSONS LEARNED" SECTION SHOULD DESCRIBE EXPERIENCE TO DATE AND

EXPLICITLY ADDRESS THE MISSION'S RESPONSE TO PROBLEMS AND CONSTRAINTS IDENTIFIED IN THE EVALUATION (OR SUBSEQUENTLY), AND PROGRESS MADE IN RESOLVING THEM.

4. TRAINING STRATEGY: PARA. 2.5 REF TEL ACKNOWLEDGES NEED FOR AND INDICATES THAT STEPS ARE BEING TAKEN BY GOP TO ASSESS NEEDS, DEVELOP NATIONAL TRAINING STRATEGY AND STREAMLINE PROCEDURES. 1985 DSTP EVALUATION RECOMMENDED THAT COVENANT BE INCLUDED IN FUTURE AMENDMENTS TO ENSURE THESE STEPS ARE TAKEN. ALTHOUGH THE PROJECT WAS SUBSEQUENTLY AMENDED TO INCREASE LCP FUNDING TO DOLS 40 MILLION, SUCH A COVENANT APPARENTLY WAS NOT INCLUDED. SPECIFIC RECOMMENDATIONS IN THE 1985 EVALUATION INCLUDED: (A) DEVELOPMENT OF A COUNTRY TRAINING PLAN WITHIN THE CONTEXT OF GOP DEVELOPMENT PLANS AND WITH AN ASSESSMENT OF TRAINING REQUIREMENTS BASED ON THE NEED TO UPGRADE CURRENT STAFF AS WELL AS ANTICIPATED NEW POSITIONS; (B) BROADENING OF REQUESTS FOR NOMINATIONS TO INCLUDE MIDDLE LEVEL OFFICIALS AND TO EMPHASIZE

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SPECIFICALLY FEMALE PARTICIPATION; (C) DEVELOPING MONITORING SYSTEM TO DETERMINE IF AND WHERE NOMINATIONS ARE BEING DELAYED; (D) COORDINATING ACTIONS OF GOP, USAID AND THE CONTRACTOR COVERING ALL COMPONENTS OF THE NOMINATION PROCESS TO ENSURE THAT INFORMATION NEEDED BY NOMINEES IS RECEIVED IN A TIMELY MANNER AND THAT ALL PRE-DEPARTURE ACTIVITIES, I.E., TESTING, LANGUAGE TRAINING AND ORIENTATION, ARE FULFILLED IN PROPER SEQUENCE; AND (E) DESIGNING A SYSTEM OF FOLLOW-UP FOR RETURNED PARTICIPANTS.

5. ANPAC DISCUSSED AT LENGTH THE NEED FOR A PRACTICAL APPROACH TO DEVELOPE STRATEGIC PRIORITIES FOR THE TRAINING PROGRAM. GIVEN THE SIZE AND COMPLEXITY OF THE PROGRAM PROPOSED UNDER THIS NEW DSTP AMENDMENT, ANPAC BELIEVES THAT ALL OF THE ABOVE EVALUATION RECOMMENDATIONS ARE STILL VALID AND SHOULD BE ADDRESSED; YET WE RECOGNIZE THAT A NATIONAL EFFORT TO DEVELOP DETAILED DATA ON ALL TRAINING NEEDS COULD BE A LONG-TERM EFFORT. ANPAC FELT THAT AN ANALYTICAL BASIS FOR STRATEGIC DECISION ON ALLOCATION OF AID'S RESOURCES IS ESSENTIAL. TO THE EXTENT THAT THIS BASIS CAN BE DEVELOPED TOGETHER WITH GOP, THIS WOULD BE PREFERABLE; BUT AT A MINIMUM, USAID NEEDS TO DEVELOP ITS OWN COUNTRY TRAINING PLAN WHICH WOULD INCLUDE TRAINING NEEDS BY USAID'S PRIORITY SECTORS, AN ANALYSIS OF THE GOP'S TRAINING POLICY AND SYSTEMS, CONSTRAINTS TO TRAINING, TRAINING RESOURCES (BOTH IN-COUNTRY AND OTHER DONORS) THE CURRENT USAID TRAINING PROGRAM, THE MISSION'S FIVE-YEAR TRAINING PLAN AND STRATEGY, INCLUDING NEW OR

SPECIAL PROGRAMS, AND THE MANAGEMENT AND ADMINISTRATION OF THE PROGRAM. THIS COUNTRY TRAINING PLAN SHOULD BE INCLUDED IN THE PP AMENDMENT. TO ASSIST IN THIS EFFORT ANPAC/TR IS SENDING YOU COPIES OF RECENT COUNTRY TRAINING PLAN FROM YEMEN AND THE EARLIER CTP FROM USAID/PERU THE MISSION SHOULD ALSO SEEK WAYS TO ASSIST THE GOP WITH DEVELOPING TRAINING PLANS AT FEDERAL AND PROVINCIAL LEVELS, DIAGNOSING AND IMPROVING PROCEDURES FOR NOMINATING AND APPROVING PARTICIPANTS, AND INSTALLING A FOLLOW-UP SYSTEM.

6. MONITORING AND EVALUATION: SUCH A MASSIVE TRAINING EFFORT DEMANDS AN INNOVATIVE APPROACH TO MONITORING AND EVALUATION, INCLUDING LONG-TERM PARTICIPANT FOLLOW-UP TO DETERMINE IMPACT. THE PROJECT SHOULD INCLUDE A MONITORING AND EVALUATION UNIT TO ADDRESS THIS CONCERN SYSTEMATICALLY, AND THE PP AMENDMENT SHOULD INCLUDE AN M AND E PLAN. THE M AND E UNIT SHOULD ALSO DEVELOP A TRACKING SYSTEM TO FOLLOW THE PROGRESS OF TRAINEES SENT ABROAD. SOME POSSIBLE APPROACHES TO ENSURE CONTINUING LINKAGE TO RETURNED PARTICIPANTS MIGHT INCLUDE LIFE MEMBERSHIPS IN PROFESSIONAL SOCIETIES FOR ALL RETURNING PARTICIPANTS; DEVELOPMENT OF AN ALL-PAKISTAN RETURNED PARTICIPANT SOCIETY; AN EMPLOYMENT NETWORK; OR A TRADE AND INVESTMENT ORIENTED NETWORK. MISSION MAY WANT TO CONSIDER CASE STUDIES TO SUPPLEMENT OTHER APPROACHES FOR MEASURING PROJECT IMPACT.

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ANNEX
Page

7. FOCUS ON PRIVATE SECTOR AND WOMEN TRAINEES: ADTEI INDICATES AN INTENTION TO FOCUS HEAVILY ON PRIVATE SECTOR AND WOMEN TRAINEES. GIVEN EXPERIENCE TO DATE, PM AMENDMENT SHOULD DISCUSS PROJECT STRATEGY FOR ENSURING THAT ADEQUATE NOMINATIONS ARE RECEIVED FROM THESE GROUPS. WITH SUCH A MAJOR TRAINING LEVEL PLANNED, A SERIOUS POLICY ISSUE WOULD ARISE IF WE WERE NOT ABLE TO ASSURE A SIGNIFICANT LEVEL OF PARTICIPATION BY WOMEN. THIS WOULD ALSO APPLY TO ASSISTANCE TO LUMS; PROJECTED PARTICIPATION OF WOMEN SHOULD BE MORE THAN A TOKEN LEVEL IF SIGNIFICANT SUPPORT IS TO BE PROVIDED.

8. INCLUSION OF LUMS IN DSTP: PROPOSAL TO SUPPORT LUMS DEVELOPMENT HAS BEEN PREVIOUSLY PROPOSED AS A POTENTIAL COMPONENT OF THE INSTITUTIONAL EXCELLENCE PROJECT (IEP). IN SOME RESPECTS THE ANPAC FELT THERE MIGHT BE A BETTER FIT WITHIN THE IEP, SINCE THAT PROJECT WILL ADDRESS INSTITUTIONAL DEVELOPMENT NEEDS OF CENTERS OF EXCELLENCE. WE DEFER TO MISSION'S JUDGMENT ON PLACEMENT OF THIS COMPONENT, BUT IN EITHER CASE A CLEAR ARTICULATION IS NEEDED OF THE INSTITUTIONAL CONSTRAINTS

FACED BY LUMS, PROJECT'S STRATEGY FOR ADDRESSING THEM, AND HOW IT FITS INTO MISSION'S BROADER TRAINING STRATEGY. SUPPORT FOR LUMS SHOULD BE PLACED IN ONE OF THE TWO PROJECTS, BUT NOT BOTH. ON CONSTRUCTION ELEMENT, WE ARE UNAWARE OF EXTENT TO WHICH MISSION HAS ALREADY PREPARED PRELIMINARY PLANS AND COST ESTIMATES, BUT REQUIREMENTS OF THE SECTION 511 WILL HAVE TO BE MET PRIOR TO OBLIGATION OF FUNDS.

9. VOCATIONAL EDUCATION: THERE WAS SOME CONCERN REGARDING THE PROPOSED SIGNIFICANT EXPANSION OF VOCATIONAL TRAINING. WE ARE AWARE OF THE POLITICAL DEMAND FOR SUCH TRAINING, BUT THE AGENCY'S EXPERIENCE INDICATES THAT TO BE EFFECTIVE, VOCATIONAL ED. SHOULD BE UNDERTAKEN ONLY FOR IDENTIFIABLE JOBS IN CONJUNCTION

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WITH PROSPECTIVE EMPLOYERS TO ASSURE THAT TRAINING IS PLACED. PP AMENDMENT SHOULD INDICATE PROJECT'S STRATEGY FOR DETERMINING POTENTIAL DEMAND FOR THESE SKILLS AND ASSURING EFFECTIVE UTILIZATION OF TRAINEES.

ANNEX 2
Page 5

12. ESL TRAINING: IT APPEARS THAT EMPHASIS ON ENGLISH LANGUAGE TRAINING GOES BEYOND NEED FOR LANGUAGE-QUALIFIED TRAINEES, AND SEEMS TO ADDRESS GENERAL LEVEL OF ENGLISH CAPABILITY IN COUNTRY. PP AMENDMENT SHOULD EXAMINE THE IMPLICATIONS OF ENTERING INTO A MAJOR ENTERPRISE OF THIS NATURE, INCLUDING HOW THIS MESHES WITH THE ROLE OF USIA. IT SHOULD ALSO MEASURE COST-EFFECTIVENESS OF LANGUAGE TRAINING CENTERS, INCLUDING COMPARISON OF THIS EFFORT AND ESL EFFORTS PROPOSED UNDER IEP.

11. RELATIONSHIP TO OTHER PROJECTS: PP AMENDMENT SHOULD DISCUSS RELATIONSHIP TO IEP AND ASSURE THERE IS NO DUPLICATION OF EFFORT. IN THE AREA OF DATA COLLECTION, REFTEL (PARA 3.P.(5)) INDICATES PLANS TO DEVELOP DATA COLLECTION CAPABILITIES FOR THE EDUCATION SECTOR. SINCE BOTH THE PROPOSED PRIMARY EDUCATION PROJECT AND S AND T/BRIDGES PROJECT HAVE DATA COLLECTION COMPONENTS, THE PP AMENDMENT SHOULD CLARIFY THE RELATIONSHIP AMONG THESE EFFORTS AND ASSURE THAT THERE IS NO DUPLICATION.

12. TIMING: MISSION SHOULD JUDGE THE TIME REQUIRED TO DEVELOP THE PP AMENDMENT AND ADVISE AID/W OF FUNDING WHICH WILL BE REQUIRED TO CARRY PROJECT AT CURRENT MAGNITUDE IN THE INTERIM. WE FEEL IT WOULD BE USEFUL TO HAVE A DISCUSSION DURING PROGRAM WEEK ON THE EDUCATION/HUMAN RESOURCES SECTOR, TO GET A BETTER UNDERSTANDING OF MISSION'S OVERALL STRATEGY AND PROJECT

DEVELOPMENT PLANS. WE PLAN TO SCHEDULE A SPECIFIC MEETING ON THIS SUBJECT. SHULTZ

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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO PAKISTAN

Cable : USAIDPAK

HEADQUARTERS OFFICE
ISLAMABAD

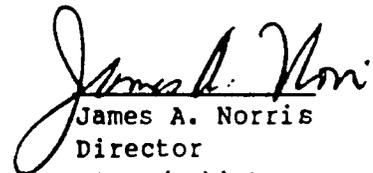
THE DIRECTOR

TAB - D

DEVELOPMENT SUPPORT TRAINING PROJECT
FAA SECTION 611 (e) CERTIFICATION

I, James A. Norris, the principal officer of the Agency for International Development in the Islamic Republic of Pakistan, having taken into account, among other things, the maintenance and utilization of projects in the Islamic Republic of Pakistan previously financed or assisted by the United States, do hereby certify, pursuant to Section 611 (e) of the Foreign Assistance Act of 1961, as amended, that, in my judgment, the Islamic Republic of Pakistan has both the financial capability and the human resources capability effectively to maintain and utilize the proposed amendment to the Development Support Training Project.

This judgment is based upon the project analyses as detailed in the Development Support Training Project Paper supplement and is subject to the conditions imposed therein.


James A. Norris
Director
USAID/Pakistan


Date



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO PAKISTAN 474 LUMS

Cable: USAIDPAK

HEADQUARTERS OFFICE
ISLAMABAD

September 2, 1988

Mr. A. Ghafoor Mirza, Joint Secretary
Economic Affairs Division
Ministry of Finance and Economic Affairs
Government of Pakistan
Pakistan Secretariat Block 'C', Room 322
Islamabad

Subject: Development Support Training Project: Amendment for Lahore
University of Management Sciences

Dear Mr. Mirza:

Enclosed for your review and signature is a Project Agreement Amendment for the DSTP, adding \$4.5 million. It is envisaged that this sum would eventually go in the form of a grant to the Lahore University of Management Sciences. This Amendment is submitted to you in response to your letter D.O. number 1(4)/US-I/87, dated April 25, 1988 which requested a grant of Rs. 75 million for LUMS. We understand that the amount to be granted to LUMS depends at least in part on LUMS's ability to raise, on a 50-50 basis, matching amounts from other sources. As of the date of your letter, Rs. 75 million have been raised; we understand additional sums are also likely to be raised. Pending the receipt of additional letters of request from you in this regard, A.I.D. would plan on writing a grant to LUMS for only Rs. 75 million.

I trust this arrangement is satisfactory.

Sincerely yours,

Robert W. Nachtrieb, Chief
Project Development and Monitoring

Enclosure
Draft Project Agreement

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page 1 of 3 pages

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TO SIGSTATE WASHDC 5891

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UNCLAS SECTION 01 OF 02 ISLAMABAD 15502

CLASS: UNCLASSIFIED
 CHRG: AID 07/19/88
 APPRV: LIA:JNCRIS
 DRFTD: PDM:SKHAN:MAK
 CLEAR: 1. PDM 2. ERI 3.
 4. RLA 5. DD(A)
 DISTR: AID AMB DCM
 ECOM 4
 ORGIN: OCR

AIDAC.

E.O. 12356: N/A

SUBJECT: DEVELOPMENT SUPPORT TRAINING PROJECT
(391-0474): PROJECT PAPER AMENDMENT

NNNN

REF: (A) STATE 62372, (B) ISL 4133, (C) STATE 38991,
(D) 87 ISL 26281

SPECIAL FILE	ACTION	OFFER	DATE
		D	
		DD	
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		EXO	
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		PRC	
		BFS	
		ABJ	

1. THIS CABLE IS TO NOTIFY AID/W THAT MISSION IS PREPARING A PP AMENDMENT FOR THE DEVELOPMENT SUPPORT TRAINING PROJECT (DSTP) TO ADD SUPPORT TO LAHORE UNIVERSITY OF MANAGEMENT SCIENCES (LUMS) AND INCREASE LOP FUNDING FOR THIS PURPOSE BY DOLS 10 MILLION FROM DOLS 65 MILLION TO DOLS 75 MILLION. AN OBLIGATION OF DOLLARS 4.5 MILLION IS PLANNED IN FY 88 AGAINST THIS ADDITIONAL LOP AUTHORIZATION.

2. BY REF (C) AID/W AUTHORIZED MISSION TO APPROVE PP AMENDMENTS IN THE FIELD UP TO TOTAL LOP DOLS 140 MILLION, ON UNDERSTANDING THAT ANALYSES ADEQUATE TO JUSTIFY THE ADDITIONS WILL BE PREPARED. THE MISSION AS INSTRUCTED, WILL PROVIDE CLEAR ARTICULATION OF INSTITUTIONAL CONSTRAINTS FACED BY LUMS, OUR STRATEGY FOR ADDRESSING THOSE CONSTRAINTS, ENVIRONMENTAL CONCERNS AND CERTIFICATIONS REQUIRED FOR CONSTRUCTION AS PER PARA 8 OF REF (C).

3. MISSION CONSIDERS IT MORE APPROPRIATE TO INCLUDE SUPPORT TO LUMS IN DSTP RATHER THAN IEP. AS OBSERVED IN REF (C), IT MAY MAKE MORE CONCEPTUAL SENSE IN IEP, BUT GOP HAS ASKED FOR IMMEDIATE ACTION ON LUMS GRANT, AND IEP WILL NOT BE READY FOR OBLIGATION UNTIL FY 89 AT EARLIEST. ALSO, GRANTS UNDER IEP WILL PROBABLY NOT EXCEED DOLS 2,000,000. HENCE OUR DECISION TO CONTINUE DSTP ASSISTANCE TO LUMS; TWO HALF MILLION DOLLAR GRANTS HAVE ALREADY BEEN GIVEN TO LUMS FROM DSTP FUNDS.

4. IT IS OUR INTENTION TO REQUEST FY 88 OBLIGATION OF DOLS 4.5 MILLION. DRAFT LANGUAGE FOR CN FOLLOWS:

5. THIS CN NOTIFIES INCREASE IN LOP FUNDING FOR THE DEVELOPMENT SUPPORT TRAINING PROJECT (DSTP) FROM DOLS 65,000,000 TO DOLS 75,000,000.



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6. ADVISE FOR PROGRAM CHANGE:

PROJECT TITLE : DEVELOPMENT SUPPORT TRAINING
 PROJECT NO. : 391-2474
 FY 88 CP REF: : ANNEX II, ASIA AND NEAR EAST,
 - PAKISTAN, PAGES 238 AND 239
 APPROPRIATION
 CATEGORY : ECONOMIC SUPPORT FUND (ESF)
 LOP FUNDING : DOLS 75,022,222
 INTENDED FY 88
 OBLIGATION : DOLS 20,022,000

7. THIS IS TO ADVISE THAT A.I.D. INTENDS TO OBLIGATE ADDITIONAL DOLS 4,500,000 FROM ESF GRANT FUNDS FOR THE SUBJECT PROJECT DURING FY 1988. DOLLARS 15,500,000 WERE OBLIGATED ON MAY 4, 1988. THE CONGRESSIONAL PRESENTATION HAD INDICATED A PLANNED LOP FUNDING OF DOLLARS 75,022,222 (DOLLARS 63,500,000 FROM ESF AND DOLLARS 11,500,000 FROM DA) AND OBLIGATION OF DOLLARS 6,550,000 (DOLS 4,220,000 FROM ESF AND DOLLARS 2,550,000 FROM DA) DURING FY 1988.

8. THE NARRATIVE OF PREVIOUS CONGRESSIONAL NOTIFICATION REMAINS UNCHANGED. THE ADDITIONAL FUNDS ARE NEEDED TO SUPPORT LAHORE UNIVERSITY OF MANAGEMENT SCIENCES (LUMS) PRIMARILY FOR CONSTRUCTION OF PERMANENT FACILITIES, AND FOR TA AND COMMODITIES, ALL TO HELP STRENGTHEN THE INSTITUTION. REVISED OUTPUTS AND A.I.D. INPUTS FOR DSTP ARE AS FOLLOWS:

A. MAJOR OUTPUTS:

INDIVIDUALS TRAINED IN PAKISTAN	4,220
INDIVIDUALS TRAINED IN THIRD COUNTRY	1,200
INDIVIDUALS TRAINED IN USA	7,200
INTENSIVE ENGLISH LANGUAGE COURSES	32
STRENGTHENED TRAINING INSTITUTIONS	20
STUDENTS EARNING 500 PLUS TOEFL SCORES	1,300
FACILITIES CONSTRUCTED	ONE

B. MAJOR A.I.D. INPUTS

	LIFE OF PROJECT (DOLS 000)
TECHNICAL ASSISTANCE	16,200
FT	
#5502	

KNRM

PPH

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UNCLAS SECTION 02 OF 02 ISLAMABAD 15500

TAB - F

TRAINING	43,711
COMMODITIES	2,523
OTHER COSTS	2,100
CONSTRUCTION	8,500.

9. PLEASE INFORM MISSION BY CABLE AS SOON AS CN SUBMITTED AND WAITING PERIOD EXPIRES. RAPHEL

BT #5500

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