

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

AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D. C. 20523

**PROJECT PAPER**

Amendment #2

INDIA: Development and Management  
Training (386-0487)

August 3, 1988

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Amendment #2

INDIA: Development and Management  
Training (386-0487)

August 3, 1988

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

PROJECT PAPER SUPPLEMENT

DEVELOPMENT AND MANAGEMENT TRAINING PROJECT  
(386-0487)

DATED: July 21, 1988

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AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add  
C = Change  
D = Delete

Amendment Number

2

DOCUMENT CODE

3

COUNTRY/ENTITY

INDIA

3. PROJECT NUMBER

386-0487

4. BUREAU/OFFICE

ANE

5. PROJECT TITLE (maximum 40 characters)

Development & Management Training

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY  
06 30 91

7. ESTIMATED DATE OF OBLIGATION

(Under "B:" below, enter 1, 2, 3, or 4)

A. Initial FY 82

B. Quarter 4

C. Final FY 91

8. COSTS (\$000 OR EQUIVALENT \$1 = 13.10)

A. FUNDING SOURCE	FIRST FY 1982			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AD Appropriated Total	2,400	-	2,400	6,356	6,620	12,976
(Grant)	(2,400)	(-)	(2,400)	(6,356)	(6,620)	(12,976)
(Loan)						
Other						
U.S.						
Host Country	-	800	800		4,500	4,500
Other Donors						
TOTALS	2,400	800	3,200	6,356	10,920	17,276

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. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) 103	180	555		2,626	-	1,500	-	4,126	-
(2) 104	580	530		850	-	-	-	1,850	-
(3) 105	660	700		3,700	-	-	-	6,200	-
(4) 106	750	870		800	-	-	-	800	-
TOTALS				7,976	-	1,500	-	12,976	-

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

054 563 720

11. SECONDARY PURPOSE CODE

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

A. Code TNG.

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To develop and strengthen through training the managerial and technical capabilities of manpower, both in the private and the public sector, engaged in planning and implementing development activities in priority areas.

14. SCHEDULED EVALUATIONS

Interim MM YY 08 87 Final MM YY 06 91

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000  941  Local  Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 7 page PP Amendment.)

This PP amendment will broaden the scope of the project to include housing related training besides expanding the involvement of the private sector in training and development of h.r. activities. Development of training plans, their evaluation and scrutiny will be done jointly by GOI & AID.

*Robert N. Bakley*  
Controller, USAID/New Delhi

8-2-88  
Date signed

17. APPROVED BY

*Robert N. Bakley*  
Title Robert N. Bakley  
Director, USAID/New Delhi

Date Signed MM DD YY  
08 03 88

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

MM DD YY

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UNITED STATES AGENCY for INTERNATIONAL DEVELOPMENT

NEW DELHI, INDIA

July 28, 1988

ACTION MEMORANDUM TO THE DIRECTOR, USAID/INDIA

FROM: Steven J. Freundlich, PRJ *SJF*

SUBJECT: Development and Management Training (D&MT) Project - #386-0487  
- Project Authorization Amendment

**ACTION:** You are requested to approve and authorize: (1) a \$5.0 million increase in the Life-of-Project (LOP) funding level of the D&MT project; and (3) a restructuring of the project as described in the attached PP Supplement.

**BACKGROUND:** The original D&MT project was authorized on September 24, 1982 for a total funding level of \$6.1 million with a PACD of June 30, 1987 for a total LOP of 5 years. The project has been amended four times. The last Project Agreement Amendment signed on August 31, 1987 increased the LOP funding level to \$7.976 million and extended the PACD to June 30, 1990.

Since the signing of the fourth Project Agreement Amendment on August 31, 1987, USAID/I has completed a formal Evaluation of the D&MT project and the development of a Human Resource Development Strategy, which devoted a great deal of attention to the successes of the D&MT project. The Strategy also indicates that there is a need for a continuing mission focus in this vital area of concern to both the GOI and USAID/I. The fact that this theme was adopted as a core element of the Country Development Strategy Statement (CDSS) which was written and presented to AID/W in the spring of 1988 is evidence of the strong support that this HRD focus has had in all the technical sectors of USAID/I.

In addition, the GOI through the offices of the Department of Economic Affairs (DEA) of the Ministry of Finance and a number of the technical ministries of the central government has repeatedly expressed an interest

in continuing a bilateral D&MT-type project in the future. Recently, the DEA reinforced this expression of interest by strongly indicating that the follow-on effort should take the form of an amendment to the existing project rather than a totally new project. The latter route would require extensive and detailed review of the proposed new project by the GOI and would add nothing to the project except an extended delay in the funding of any newly proposed activities. The feeling is that the existing project has developed a mechanism which works and successfully provides for the funding of vitally needed training and HRD efforts aimed at assisting a number of technical ministries and private sector agencies and/or organizations, why change it?.

Based on the GOI's expressed interest in a project amendment, the draft D&MT I: Project Identification Document (PID) which was reviewed by the MRC, has been modified and forms the substance of the attached PP Supplement. The Supplement indicates that the basic goal and purpose of the D&MT project will not be altered. However, a number of new focal sectors will be incorporated into the project and the existing "Proposal Review and Approval" mechanisms as well as the project monitoring function will be strengthened, without any formal institutionalization of the process. The only real change in the D&MT project will be an increase in the LOP funding level by \$5 million.

DISCUSSION: After extensive discussions with the concerned GOI implementing agencies, the DEA and appropriate technical ministry officials of the central government, a PP Supplement has been developed which provides guidelines for the utilization of the additional project funding. These guidelines include the following:

1. The creation of a significant number of trained Trainers in a variety of specialized technical fields;
2. The improvement of the capacity of selected training institutions through curriculum development and access to appropriate data bases;
3. A greater focus, than was previously the case, on such specific areas of concern as Women-in-Development, the Private Sector (both as a provider and as a user of project funded training), and the Housing Sector; and
4. A strengthening of the existing proposal review, approval and monitoring process for project funded activities.

It should be noted that while the PP Supplement points out a number of focal points for the project's efforts over the coming years, it strongly stresses the need for a continuation of the flexibility which has been the hallmark of the original project. As a result the above listing should not be seen as an exclusive or all encompassing listing which can not be added to as implementation progress. It is rather an illustrative listing only.

In sum, the PP Supplement builds on the strengths of the D&MT project while at the same time refocusing the attention of the project implementors to areas which have shown themselves to be of the greatest concern to both the GOI and USAID/I.

FAA SECTION 612 (b): When the USAID/I program was re-established in 1978, it was determined that as an exception the India program could provide project funded foreign exchange to finance eligible local cost expenditures, as opposed to funding such costs exclusively from U.S. government owned excess Rupees. This determination was reaffirmed during the FY 88 Annual Budget Submission (ABS) reviews in AID/W.

In accordance with past practice, your signature on the attached Project Authorization Amendment will provide the required FAA Section 612 (b) certification to use foreign exchange to finance local costs under the subject project.

CONGRESSIONAL NOTIFICATION: A Congressional Notification (CN) was forwarded to the Congress on July 8, 1988 and the CN expired on July 22, 1988.

CONDITIONS PRECEDENT AND COVENANTS: All the Conditions Precedent (CPs) to disbursement of funds and covenants under the original Project Agreement have been met. Therefore, no additional CPs or Covenants will be required to implement the amendment to the project.

AUTHORITY: Redlegation of Authority 652, dated September 1, 1986 authorizes the Director of USAID/I to amend projects if the amendment: does not result in a total life-of-project funding level of more than \$30.0 million; extend the PACD by more than two years; or extend the Life-of-Project (LOP) for a period of more than 10 years. In that this Project Amendment requires only the addition of \$5.0 million and the total LOP funding level for the project will be \$12.97 million, you have the authority to amend the existing Project Authorization as outlined in the attached PP Supplement.

**RECOMMENDATION:** That you sign the attached Project Authorization Amendment and the PP Supplement, Project Data Sheet and thereby authorize: (1) a \$5.0 million increase for a total of \$12.976 million in the life-of-project funding level of the Development and Management Training project; and (2) a refocusing of the project as described in the attached PP Supplement.

Approved: Robert A. Brey

Disapproved: \_\_\_\_\_

Dated: Aug 3 1988

**ATTACHMENTS:**  
Project Authorization Amendment  
PP Supplement  
PP Data Sheet

**CLEARANCE:**  
TD&E, N. Nagpal (draft)  
DPP, Bablani (draft)  
CO(A), GWarick (draft)  
DD(A), RWBeckman (draft)

DRAFTED BY: PRJ, SFREUNDLICH, 7/28/88, DOC. #5548C

PROJECT AUTHORIZATION AMENDMENT

INDIA

DEVELOPMENT AND MANAGEMENT TRAINING PROJECT  
PROJECT NUMBER 386-0487

Pursuant to Sections 103, 104 & 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize this amendment to the Project Authorization for the Development and Management Training project (the "Project") for India (the "Cooperating Country"), involving planned obligations of not exceeding Twelve Million Nine Hundred and Seventy Six Thousand U. S. Dollars (\$12,976,000) over a seven year and nine month period from the date of the original Project Authorization, subject to the availability of funds in accordance with the A.I.D OYB/Allotment process, to help finance the local and foreign currency costs of the Project.

The Project consists of providing assistance to the Cooperating Country to finance training and institutional development as outlined in the PP Supplement attached to this Project Authorization Amendment.

The Cooperating Country intends to contribute the Rupee equivalent of an estimated Four Million and Three Hundred Thousand U.S. Dollars (\$4,300,000) to finance local currency costs associated with the Project.

The Project Agreement for the Project, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. Regulations and Delegations of Authority, shall be subject to the terms, conditions and covenants, set forth in the original Project Authorization and all previous amendments, together with such other terms and conditions as A.I.D. may deem appropriate.

Dated:

Signed:

Robert N. Bakley,  
Director, USAID/INDIA

**THE DEVELOPMENT AND MANAGEMENT TRAINING PROJECT  
PROJECT PAPER AMENDMENT**

- I. **INTRODUCTION:** Human Resource Development (HRD) has been adopted by USAID/I as an essential element of the FY 1988 Country Development Strategy. This component of USAID/India's CDSS focuses on accelerating the development of India's prime resource base, its large pool of trained and semi-trained person power.

Since its inception in 1982, the Development and Management Training (D&MT) Project has generated trained manpower in diverse fields such as Power, Agriculture, Water Resources, Health, Environment, Welfare (Handicapped) and Women-in-Development. In numerical terms, over 4000 individuals have been trained in-country and approximately 200 in the U.S.

In addition, it should be noted that the Fourth Project Agreement Amendment signed on August 31, 1987 calls for the project to finance specific training subprojects which have far reaching implications in their respective specialized areas. These special subprojects are: the Management Education Development Program with the Management Development Institute, Gurgaon; the Collaborative Research under the Council of Scientific and Industrial Research of India and National Science Foundation of the U.S.A. (CSIR-NSF) Exchange Program; the Medical Literature Analysis and Retrieval (MEDLAR) Project with the National Informatics Centre; and the training and HRD related programs under the bilaterally funded Centre for Technology Development project.

The Mid-Term D&MT Project Evaluation of August 1987 (the Culbertson Report) and the USAID/I Human Resource Development strategy (the Sullivan Report) completed in September, strongly support the continuation of a D&MT-type of project. These reports both note that HRD provides a useful context and a starting point for a wide array of activities, ranging from training in its basic form to the application of training in an organizational setting and the strengthening of institutional capacity to provide needed training and curriculum development in the Indian context. HRD was seen as an crosscutting activity which must be supported in all sectors but also needs a project focus of its own to enable USAID/I to fund activities in priority areas.

In view of the successful experience of D&MT in the past, its acceptability to the Government of India (GOI), and an extremely strong recommendation for the continuation and replication of the D&MT project by the evaluators, USAID/I determined that the design of a follow-on project along the lines of the existing D&MT project, rather than as a completely new project (i.e. D&MT II) would be appropriate. The GOI has repeatedly expressed keen interest in amending and extending the D&MT project instead of developing a new project.

Therefore, this PP Supplement proposed a nonsubstantive amendment to the existing D&MT project which will extend the PACD by two years and increase the LCP funding by \$5 million.

Under the proposed amendment, the scope of the project will be broadened to include the funding of training related to the Housing Sector and Women-in-Development. The involvement of the Private Sector will also be expanded and amplified in training and HRD activities. The modus operandi of the project will be strengthened in terms of the level of joint GOI and USAID/I appraisal and approval of Training Plans and new subproject proposals.

- II. PROJECT FUNDING LEVEL: In order to enable the project to broaden its focus to include the funding of the additional activities enumerated in this PP Supplement it is proposed that the Life-of-Project funding level be increased by \$5.0 million for a new total of \$12.976 million dollars. The illustrative budget provided in TABLE 1 of this Supplement gives an indication of the possible funding levels of the activities presently envisioned for funding under the Project Amendment. However, this budget is merely illustrative and should not be viewed as exclusive or limiting in any way. The actual earmarking of the additional \$5.0 million will be accomplished with the issuance of appropriate Project Implementation Letters as required during the life of the project.
- III. PROJECT TIME FRAME: The implementation of the activities to be funded with the additional funding provided by this Project Amendment will require an extension of the Project Activity Completion Date by two years, from June 1990 to June 1992.
- IV. PROGRAM STRUCTURE AND FRAMEWORK: Additional Project funds provided under this Project Amendment will be allocated with the following guidelines in mind:
  - A. Sectoral Focus - Drawing heavily on the successful experience of the existing D&MT project, the added funding will be provided to specific GOI central ministries which have indicated that they are interested in utilizing project funding for the development of their staffs in fields which the GOI and USAID/I agree are priority areas of concern for the project. These include: Education and Human Resources Development; Power; Water Resources; Welfare; Agriculture; Environment; Women-in-Development; Health; and Housing Finance. This, however, is not an exhaustive or exclusive listing.
  - B. Functional Focus - The additional funding provided by this Project Amendment will be utilized to finance relatively long-term special projects which support the strengthening of the capacity of selected training institutions in technical education, management education, entrepreneurship development and the training of women. It is anticipated that this will be achieved by: (1) the development of training curriculum in these areas; (2) upgrading

the teaching techniques that are used in these institutions; (3) the provision and development of institutional specific teaching aids; (4) the improvement of instructional materials; and (5) the training of Trainers.

Although the overall focus of these efforts will be the institutionalizing of training, there are a number of other possible areas of concentration including: e.g. (1) developing co-operative and innovative education programs; and (2) developing continuing links between U.S. and Indian Institutions.

C. Operational Mechanism: It is not anticipated that the overall operating mechanism of the existing D&MT project will be substantially changed. However, the process of joint review and approval will be strengthened as part of the review of proposals that are to be funded under this amendment to the project. This will be achieved by close coordination with both the technical, central government ministries interested in utilizing project funds and the Department of Economic Affairs (DEA), Ministry of Finance the implementing agency for the project. This will insure that project funding guidelines are publicized in both the private sector and in GOI circles and that the process of proposal submission and review is regularized to some extent.

It is anticipated that the proposals will be initiated by either the DEA, USAID/I or any appropriate third party, e.g. other GOI Agency/Organization or Ministry, the Private Sector and/or the Non-governmental Voluntary Sector. Proposals will be reviewed by a Joint Working Committee comprised of representatives of the DEA, USAID/I and an appropriate technical ministry. The Committee will meet at regular intervals during the year to review and evaluate proposals. Based on such reviews, recommendations will be made to the DEA concerning the appropriateness of requesting the allocation of project funding for a specific proposal.

USAID/I and the DEA will agree on the extent to which training opportunities funded under the project are to be advertised to groups in both the public and the private sector and the mode of providing such publicity.

Notwithstanding the above noted procedures and guideline the following sectors of focus are to be concentrated on during the remaining years of the project:

1. The Private Sector - The existing D&MT project has actively supported activities involving the Private Sector, both as recipients and as a provider of training. The amendment seeks to amplify and expand the role of the Private Sector in vital area. In areas where the private sector has a recognized role or a specific skill in terms of either technological and managerial training an effort will be made to encourage participation in the project funded activities. In addition,

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efforts will be made to link appropriate U.S. Private Sector training institutions or organizations with specific Indian requirements both in the Public and Private Sectors.

It is anticipated that an Ad-Hoc Joint Working Group will be established to encourage, regulate and monitor the involvement of various Private Sector Association in the training efforts to be funded under the project. The Private Sector entities may include both the Non-Profit Voluntary and Non-Governmental Organizations, Research and Training Institutions as well as Professional and Trade Organizations and 'Profit-Making' organizations and companies. The specific procedures for receiving proposals from the Private Sector and the earmarking of project funds for these purposes will be agreed to jointly by the DEA and USAID/I and detailed in an appropriate Project Implementation Letter.

2. Women in Development Program (WID) - A specific allocation of funding from out of the additional funding provided by this amendment will be made for the WID activities. The proposed package of the type of training activities to be funded under the amendment has been provided to the USAID by the Department of Women and Child Development (DWCD). This package envisages training at three levels; (1) the "Grass roots" or entry level; (2) the Mid-Career level; and (3) the Policy making and Program Planning level.

The DWCD has also proposed that the project funded activities related to WID concentrate on the following five types of training: (a) Organization and Extension training; (b) Skills Training (c) Management and Entrepreneurial Training; (d) Sensitivity Training related to WID issues for administrators and implementor in both the Public and Private Sectors; and (e) Training of Trainers.

Training proposals for WID activities will generally be expected to concentrate on the levels and types of training outlined above, however, they will not be limited to only these. Any other proposal and/or plan for training in the context of WID issues will also be reviewed and evaluated as appropriate. This procedure is recommended in the interest of retaining flexibility in the ability of the project to respond to new and/or innovative ideas. It is proposed that the following sources of funding proposals be considered as eligible under the D&MT amendment:

- a) Proposals developed by the DWCD or its designee;
- b) Proposals developed by USAID/I or by USAID in collaboration with a suitable agency/organization; and
- c) Unsolicited Proposals received either by USAID/I or the DWCD;

Although the specific procedures for receiving proposals related to WID activities and the earmarking of project funds for these purposes will be agreed to jointly by the DEA and USAID/I and detailed in an appropriate Project Implementation Letter it is anticipated that these will include the following: (1) The establishment of an operationally active and functional Ad-Hoc Joint Working Group to include representatives of (a) USAID/I, (b) the DWCD and (c) the DEA. In addition to the above, professional training expert or a specialist with relevant background in WID issues and training may be asked to provide consultation related to specific proposals or training requirements.

The Ad-Hoc Joint Working Group will be responsible for channelling WID activities in directions which are responsive to GOI and USAID/I development objectives. The Group will meet at frequent intervals (e.g. quarterly or bi-monthly depending on the flow of proposal) to assess, evaluate and select proposals to be recommended for project funding. Subsequent to receipt of an endorsement for a specific proposal the DWCD will make a formal request through the DEA for project funding under the D&M project.

3. Training related to the Housing Guaranty Program - The proposed amendment will incorporate funding for training related to the implementation of the Housing Investment Guaranty Project being funded by the Agency for International Development (AID). A separate PIL will be issued to earmark and describe such activities as appropriate.

Such training will be directed primarily to assist in the development of the Industrial Development Bank of India (IDBI) to act as an intermediary lending institution to recipient Housing Finance agencies/organizations. Training for IDBI will concentrate on acquainting key personnels with the issues and procedures related to: the provision of housing finance; and the establishment of policies to underwrite such financing.

As necessary funds for Housing related training will also be utilized by the Ministry of Urban Development, the Ministry of Finance, the National Housing Bank and other national housing finance management and training institutions. Training will also be funded for primary lenders. Such training activities will concentrate on long-term growth in the industry by strengthening the outreach capability of such institutions with a focus on reaching a wider section of borrowers and in particular on improving their resource mobilization capabilities.

Training under Housing related activities will be defined broadly to incorporate seminars, information exchanges, observation/study tours and conventional training.

DEVELOPMENT & MANAGEMENT TRAINING PROJECT

Estimated costs and method of Financing

The following table gives the estimated total cost which would be grant funded over the Life of the Project.

	(\$000)		
Input Element	Existing Authorized Cost	Additional Authorization	Total LOP
<b>A) <u>GENERAL FUND</u></b>			
Technical Assistance	-	-	-
Training (US)	1,105	800	1,905
Training (Incountry)	3,985	100	5,085
Monitoring & Evaluation	274	-	274
Sub-Total	5,364	1,900	7,264
<b>B) <u>SPECIAL PROJECT FUNDS</u></b>			
Technical Assistance	1059	500	1559
Training (US)	855	500	1355
Training (Incountry)	486	1500	1986
Sub-Total	2400	2,500	4,900
<b>C) <u>HOUSING GUARANTY TRAINING</u></b>			
Training (US)		250	250
Training (Incountry)		250	250
Sub-Total		500	500
<b>D) <u>CONTINGENCIES</u></b>			
	212	100	312
<b>TOTAL</b>	<u>7976</u>	<u>5,000</u>	<u>12,976</u>

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III. METHODS OF IMPLEMENTATION & FINANCING

<u>Methods of Implementation</u>	<u>Methods of Financing</u>	<u>Estimated Total (\$000)</u>
Training (US) - AID Direct Contracts	Direct Payment	3,510
Training (Incountry) - HC Agreement/Contracts	Direct Payment	7,321
Technical Assistance (US) - HC Agreements/Contracts	Direct Payment	1,559
Monitoring & Evaluation - AID Direct Contracts	Direct Payment	274
Other_HC Agreements/Contracts	Direct Payment	312
		\$ <u>12,976</u>

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