

PD-AAA-656  
59053

FUNDS AVAILABLE	
Date	9/28/75
DEPARTMENT OF STATE	
Project No.	938-0169
AGENCY FOR INTERNATIONAL DEVELOPMENT	
Obligation No.	3899247
WASHINGTON, D.C. 20523	
Object Class	4190
Allocation	94 38-099-02-21-91
Amount	179,975.00
By (Initials)	[Signature]
AID/SER/FM/RSD	

~~ORIGINAL~~

SEP 2 1979

Mr. Warren Wiggins  
 Director  
 NEW TRANSCENTURY FOUNDATION  
 1789 Columbia Road, NW  
 Washington, DC 20009

SUBJECT: Specific Support Grant No.  
 AID/SOD/PDC-G-0291

Dear Mr. Wiggins:

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 grants to the New Transcentury Foundation (hereinafter referred to as "TNTF" or "Grantee") the sum of \$179,975 to provide support for a program to establish a Small Enterprise Development Center to provide management support services to PVOs as more fully described in the attachment to this Grant entitled "Program Description".

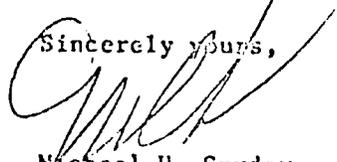
This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period September 28, 1979 through September 27, 1980.

This Grant is made to TNTF on the condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 entitled "Program Description", and Attachment 2 entitled "Standard Provisions", which have been agreed to by your organization.

Please sign the Statement of Assurance of Compliance, enclosed herein, and the original and seven (7) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Please return the Statement of Assurance of Compliance and the original and six (6) copies of this Grant, including all those stamped "Funds Available" to the Office of Contract Management.

Sincerely yours,



Michael H. Snyder  
Grant Officer  
Services Operations Division  
Office of Contract Management

Attachments:

1. Program Description
2. Standard Provisions
3. Statement of Assurance of Compliance

ACCEPTED:

THE NEW TRANSCENTURY FOUNDATION

BY:

TYPED NAME: Warren W. Wiggins

TITLE: President

DATE: October 10, 1979

Fiscal Data

Appropriation No.: 72-1191021.6  
Allotment No.: 946-38-099-00-76-  
91  
PIO/T No.: 938-0165-73-  
3899249  
Project No.: 938-0165  
Total Grant Amt.: \$179,975

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PROGRAM DESCRIPTION

I. Purpose of Grant

The purpose of this management services support grant to the New TransCentury Foundation (NTCF) is to establish a Small Enterprise Development Center to provide management support services to PVOs to increase their capabilities to undertake small enterprise development projects in LDCs.

II. Specific Objective

The specific objective of this Grant is to establish a specialized service unit (the Small Enterprise Development Center) to serve as an operational support organization whereby the established PVOs and concerned individuals can extend the opportunities and expertise of the developed world's marketplace to the small units of production and entrepreneurial effort in the developing world. It will be a bridging structure sensitive to and supportive of the non-profit, socially oriented characteristics of PVOs, while at the same time providing for commercially viable activity in world trade. The central concept is to create a vehicle by which resources already available in the wider international community (among PVOs themselves, donor agencies, commercial marketing organizations, etc.) can be marshalled in support of PVO small enterprise development efforts and by which PVO leadership and constituencies can be encouraged to strengthen and expand this network.

III. Implementation

To achieve the above objective the Grantee shall carry out the following activities with funds provided by the Grant:

A. Marketing Network Development

1. Identifying and negotiating arrangements between PVO-supported Third World producers and non-exploitative distribution channels;
2. Encouraging the development of specialized new channels where none now exist -- especially within the domestic PVO community; and
3. Provision of resources to support initial distribution activities.

B. Technical Assistance

1. Provision of technical resources and assistance in specialized areas of the marketing process: design, the adaptation of indigenous materials, skills, craft and other local resources to world markets marketing research, advertising and promotion, etc.; and
2. Provision of training and management development services in marketing to PVO staff people and through them to the entrepreneurs with whom they work.

C. Entrepreneurial Linkages

The identification and promotion of working relationships between established business and industry in the U.S. and small enterprises in developing countries: e.g., trade missions, supplier contacts, seminars, exchanges, encouragement of joint ventures and direct investment.

D. Development Education

Provision of technical assistance, resources and specialized technical services (e.g., materials production) to PVOs in support of their efforts to use their marketing and business-related relationships with indigenous

producers as vehicles for development education at home. That is, to use their investment in enterprise development and market support activities to broaden their constituents' understanding of the problems and underlying issues of Third World development. All activities which are quintessentially addressed to development education will be funded from non-A.I.D. financial resources.

The central focus of the Small Enterprise Development Center will be to build networks. In general, it will not normally do direct marketing but will seek to strengthen and expand existing marketing networks. It will employ the established PVO community's resources whenever possible. It will function as a broker-promoter of PVO services and resources in behalf of LDC small business and entrepreneurial development.

Beyond utilizing existing PVO resources, the Center will support marketing research, test marketing, feasibility studies and market identification efforts aimed at finding, strengthening and adapting existing or new marketing mechanisms outside the PVO community to the needs of Third World producers. On some occasions, especially in the areas of training and management assistance, the Center itself may provide services or may call on other NTCF personnel to provide them.

In general, the central activity of the Center will be to arrange for the provision of integrated marketing, management and other technical services rather than to provide them directly. Where appropriate, the Center will contract for certain services, such as warehousing, distribution and promotion, with existing non-profit or profit-making institutions or, alternatively, will stimulate the creation of the appropriate organization or

service. It is assumed that once distribution is established, these services will be paid for by the normal terms of trade. Products that cannot be priced to support the expenses of marketing and distribution will not normally be accepted.

Another important aspect of the Center's approach to its work will be emphasis on maintaining a developing world orientation. The Center will especially seek LDC indigenous organizations', small businesses' and entrepreneurs' perspectives and assessment of their own self-interest in developing both policy and programs. The Center will also seek to identify and/or create and use indigenous LDC technical resources whenever feasible. It is expected that eventually the great bulk of technical assistance and other field support services will be provided by indigenous individuals and in-country groups. The Center will ensure that control and concomitant financial responsibility for marketing activities will reside with the LDC groups involved as soon as the marketing processes provide the financial resources and experience necessary for them to operate successfully on their own.

At the same time that in-country activity and the policies and programs of the Center relating to the field become increasingly controlled by indigenous members of the Center's network, every effort will be made to involve the PVO constituencies and cooperating organizations in the developed countries in ways that provide opportunities for direct, personal participation to ensure a growing financial resource base in support of LDC projects, small businesses and entrepreneurs.

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Since the organizations and individuals which will eventually make up the Center's marketing network will be diverse, recognition of these differences and provision for access to policy-making of the resultant multiplicity of opinions and perspectives is essential. In order to provide for this participation, the Center will have an advisory structure made up of representatives from all cooperating PVOs, agencies, institutions, businesses, industries, and interested individuals from both the developed and developing countries. This structure will be composed of (1) an Advisory Council which will act as the overall representational body; (2) a network of subcommittees, task forces and working groups organized as needed within the Advisory Council to handle specialized issues or projects, and (3) a smaller management committee to consult with the Center's staff on short term operating concerns. Together these groups will assure that the Center is responsive to the needs and priorities of participating PVO organizations and concomitantly sensitive to and realistic about the complex business realities of international trade and domestic marketing. The Center's advisory structure will emphasize the participation of experienced members of the business community and especially the commercial international marketing community.

Organizationally, the Council will be made up initially of representative of those PVOs which agreed to participate in the pilot phase: Goodwill Industries, the YMCA, IPHRD and IESC. Others such as PFP, the YWCA, Save the Children and Rotary International will be included as they become a part of the growing network. The Council will be designed to be inclusive rather

than exclusive. Its membership will be open to any group interested in furthering the Center's goals so that it will serve not only as a policy advisor to the Center, but as a forum for discussion and a focal point for collaborative action in the area of small enterprise development for the community in general. In particular, the Center will seek to include on the Council participants from local PVO units both in the U.S. and overseas. Once the advisory structure is constituted, participating PVOs will be consulted on operating policy development, project criteria, project selection, local U.S. unit participant selection, interpretation and evaluation with specific attention to program impact in the LDCs. They will receive regular operating reports, participate as officials in seminars, training events and other PVO related functions and review and recommend geographic, organization and program priorities.

In addition to the Advisory Council, a small five to ten member management committee will function as an Executive Committee of the Council to assist in day-to-day management concerns interpreting the Council's will in such areas as: operating policies and procedures; coordinating and monitoring of operations; selection of project priorities; fiscal operations; liaison with the PVO and business communities; and reporting and evaluation processes.

Together the Advisory Council and its Executive Committee will participate actively in the overall design of the Center's program, policies, procedures and structure. At the end of 18 months, a project operations, they will assist to evaluate all facets of the Center's program and will have primary responsibility for the project design for the subsequent three year .

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In order to effectively respond to, support and stimulate active PVO constituent involvement at the local community level while maintaining contact with the broad PVO community and cooperating organizations at the national level, two location identities will be established.

The New TransCentury Foundation's Washington, DC headquarters and staff will maintain liaison with the general international development community and the national offices of participating PVOs. It will also provide specific administrative support services including: accounting, auditing, budgeting and control, and contract administration; legal council; personnel administration; and clerical support services for East Coast activities. In addition, the Washington office will provide professional training and technical assistance in general management and marketing management to participating groups.

At the same time, the Center's main office for program dissemination and operations will be set up in or near Dayton, Ohio to perform all project program activities, with the supporting assistance of the Washington office as stated heretofore.

The staff of the main office will consist of two professionals, the Director and the Senior Associate, (aided by clerical support) who will serve as generalists administering and operating the variety of functions of the Center. Much of the specialized technical skills called for in marketing, management and communications will be provided through consultant arrangements, volunteer and paid; cooperating agencies, both non-profit and profit-making and cooperating commercial organizations as well as the specialized expertise of the New TransCentury Foundation's staff.

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Although operating policies and practices will be defined by the Advisory Council, the following guidelines will form an initial point of departure:

First, the Center will give initial priority to working with those projects and LDC PVOs now cooperating with (or extensions of) established U.S. PVOs. Criteria for selection and guidelines for cooperative support of LDC projects, small businesses and entrepreneurs will be developed cooperatively with the respective PVOs. Consideration will be given to a combination of factors, including: type of product; indigenous character; potential for long term employment creation; per capita income potential; integrity and experience of principal participants; the role of women; past history; financial projections; environmental implications; and impact and relationship to national development goals; etc.

Second, participant selection and priority will normally be according to the following type and order:

1. PVO sponsored projects, i.e., a PVO vocational trade school with a production component for self-support and employment creation; a PVO sponsored cooperative or other production unit when assistance to achieving self-sufficiency through marketing is critical to the success of the endeavor.
2. Indigenous cooperatives or other such organizationally sponsored small enterprise endeavors selected by the LDC PVOs.
3. Small businesses or entrepreneurs selected and endorsed by LDC PVOs with high potential for product development and employment creation.

There are no criteria for determining the size of the LDC enterprises selected for participation in the Center's PVO. Emphasis, however, will be placed on selection of those enterprises that are not normally of sufficient size or stature to obtain the assistance of formal government programs or other international economic development organizations. Size of the project can, therefore, vary from a one or two-man enterprise to a cooperative or production project involving several hundred people. The decisive factors will be the level of the LDC PVOs involvement or endorsement, the potential for local economic impact through increased labor utilization and the ultimate evaluation of the advisory structure, consultant resources and staff as to the Center's potential impact on the project's potential viability.

Another policy during the pilot phase concerns the degree to which services are extended to the wider PVO community. During the pilot phase, the Center's management development services will respond to the broad PVO community in stimulating interest and building capacity in enterprise development. In extending the operational service functions of marketing, technical assistance, entrepreneurial linkage and development education the Center will respond primarily to the participating local units of the two initial cooperating organizations, the YMCA and Goodwill Industries. In the LDCs, the Center will also respond primarily to the needs of the initial U.S.-based participants or related PVOs including the YMCA, and Goodwill Industries; CRS, YMCA, PFP and others yet to be identified will also be serviced as time and resources permit.

During the pilot phase, the variety, scope and potential of the PVO community as pertains to LDC enterprise development will be analyzed to determine the most effective forms and methods of assistance to be implemented in the fully expanded Center operations during the following 3 to 5 year period.

A final significant operating policy of the Center during the pilot phase involves contractual and administrative commitments. Initially such commitments will be negotiated and administered by TransCentury's Washington office in accordance with the policies and practices of the New TransCentury Foundation, the conditions of the funding agencies, the recommendations of the advisory council and the advice of TransCentury's legal staff.

Stages of project development will be:

Stage I - Establishing the Center and the Initial Operating Policies and Structures

Step A - Establishing the Organization

1. Establishing the Center within the New TransCentury Foundation;
2. Identifying and recruiting the organizational representatives and individuals for the advisory structure;
3. Identifying and recruiting the multiple support resources;
4. Establishing initial operating policies, procedures, etc.; and
5. Development of evaluation processes as management tools and 7th and 8th Quarter operating steps.

Step B - Establishing working relationships with cooperating and/or affiliated organizations both in the U.S. and abroad.

Step C - Initiating operating functions, consultant agreements, marketing network arrangements, staffing, etc.

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Step D - Selection of U.S. PVO pilot units.

Step E - Selection of LDC PVO pilot projects.

Stage II - Initiating PVO Management Development Services in Small Enterprise Development

Step F - Gathering base line data:

1. U.S. PVO constituent involvement, resources, etc.;
2. LDC PVO projects, small businesses, entrepreneurs; and
3. Need identification.

Step G - Design of specific management development activities:

1. Viability guidelines, resources, etc.;
2. Seminars;
3. Training programs; and
4. Consultant services, etc.

Step H - Delivery of small enterprise development management resources to PVOs, i.e., consultants, printed materials, other resource organizations, etc.

Stage III - Establishing the Marketing Network Function

Step I - LDC product market research.

Step J - Product identification.

Step K - Test marketing and product evaluation.

Step L - Distribution arrangements.

Step M - Market channel development.

Step N - Market network administration.

Stage IV - Establishing the Technical Assistance Function

Step O - Procedures for project problem identification.

Step P - Setting up the source file.

Step Q - Recruitment or compilation of transmittal.

Step R - Product modification in response to market test.

Stage V - Establishing the Entrepreneurial Linkage Function

Step S - Interpretation and promotion.

Step T - Setting up U.S. entrepreneurial registry.

Step U - Setting up LDC entrepreneurial registry.

Step V - Organizing trade missions, exchanges, seminars, etc.

Step W - Implementing entrepreneurial linkage.

Stage VI - Establishing the Development Education Function

Step X - Provide input to appropriate marketing and entrepreneurial activities and materials.

Step Y - Proposal developed and separate funding secured.

Step Z - Procedures for constituent involvement in marketing, technical assistance and entrepreneurial linkage.

Step AA - Identification, production and distribution of development education resources, subject to special funding.

Stage VII - Evaluation and Planning for Expanded Project

Step BB - Provision for ongoing evaluation procedures.

Step CC - Review and analysis of achievement indicators.

Step DD - Amendments to policies, procedures and functional design as required.

Step EE - Quantitative and qualitative analysis of the Center's functional units.

Step FF - Expanded project planning and design.

Step GG - Expanded project proposal.

IV. Reporting

A. Evaluation

This project's 2 year pilot phase will be designed to have on-going evaluation processes for use as a management decision-making tool as well as the basis for comprehensive evaluation at the end of the 6th Quarter. The entire implementation plan will fulfill the need to evaluate each stage and implementing step as the premise for designing the expanded project. Adequate justification for continuation of the project, the structure and relationships of its principle functions, its expanded operating scope and projections and its funding requirements as an evolving self-supporting PVO service entity, will all be fully supported through the evaluation mechanisms to be employed. Ten copies of this evaluation report will be submitted to A.I.D. within 30 days of the end of 18 months of operations.

B. Progress reports will be submitted to A.I.D. in 10 copies at the end of the first six and twelve months of operations.

C. A final report will be submitted to A.I.D. in 10 copies at the end of the project.

D. One copy of all program and fiscal reports required by Attachment 2, "Standard Provisions", shall be provided to the Grant Officer.

V. Budget

The funds provided herein shall be used to finance the following:

<u>Cost Element</u>	<u>FR: 9/28/79</u> <u>TO: 9/27/80</u>	<u>FR: 9/28/80</u> <u>TO: 9/27/81</u>	<u>Total</u>
Salaries	\$ 72,000	\$ 77,040	\$149,040
Fringe	15,408	16,487	31,895
Indirect Costs	26,222	28,058	54,280
Consultant Fees	15,000	10,500	25,500
Travel & Transportation	15,602	17,500	33,102
Other Direct Costs	19,382	21,800	41,182
G&A	16,361	17,139	33,500
TOTAL.....	\$179,975	\$188,524	\$368,499

The Grantee may not exceed the obligated funds of \$179,975 for the period September 28, 1979 through September 27, 1980. However, adjustments among the line items are unrestricted. Subject to their availability and mutual agreement of the parties to proceed with the project, additional funds in the amount of \$188,524 will be provided.

VI. Special Provisions:

A. Under Attachment 2, "Standard Provisions", delete the following clauses:

1. Clause 7B - Payment-Periodic Advance
2. Clause 7C -- Payment-Reimbursement
3. Clause 12B- Title To and Care of Property (U.S. Government Property).
4. Clause 12C- Title To and Care of Property (Cooperating Country Title)

B. Add new Standard Provisions No. 28 entitled "Alterations in Standard Provisions" attached hereto as Attachment 2 (Supplement).

VII. Title of Property

Title of any equipment purchased under this Grant shall vest in the Grantee.

VIII. Negotiated Overhead Rate

Pursuant to the provisions of the Clause No. 5 entitled "Negotiated Overhead Rates - Other Than Educational Institutions" set forth in Attachment B, "Standard Provisions", pending establishment of a final rate for the initial period beginning September 28, 1979, provisional payments on account of allowable indirect costs shall be made at the rate of 30% applied to direct salaries and wages, including fringe benefits.