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MEMORANDUM OF UNDERSTANDING BETWEEN THE UNITED STATES

AGENCY FOR INTERNATIONAL DEVELOPMENT

AND

THE "UNIVERSIDAD DEL VALLE DE GUATEMALA"

FOR THE MERIT SCHOLARSHIP ASSISTANCE PROGRAM

UNDER THE DEVELOPMENT TRAINING AND SUPPORT PROJECT

PROJECT NO. 520-0384

REF.: AGREEMENT NO. 520-0384-G-SS-8583-00

1 January 1989

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CLAUSE I. PURPOSE

The purpose of this Agreement is to increase the opportunities for academically talented but socially and/or economically disadvantaged Guatemalans to attend post secondary institutions in Guatemala and the United States. The program will help increase Guatemala's human resources base, facilitate the participation of the country's poor people in the development process, as well as to increase their share of the benefits, contribute to a better understanding of democratic processes and strengthen the ties of friendship and depth of understanding between the United States and Guatemala.

CLAUSE II. NUMBER OF SCHOLARSHIPS AND SELECTION OF PARTICIPANTS

Approximately, one hundred five-year scholarships will be provided to attend Guatemalan university of choice. Under the Development Training and Support Project (DT&S), selection will be based primarily on economic need for students meeting acceptable scholastic aptitude and achievement. The goal will be to have at least 70 percent of the recipients from outside of Guatemala City and at least 50 percent women.

All fields of study will be given to students who have career choices which are closely related to the country's development needs such as public health and nutrition, agriculture, engineering, business administration, and education.

CLAUSE III. ADMINISTRATION

The program will be administered by a special staff under the Center for Studies in Education of the Institute of Research of the "Universidad del Valle" de Guatemala. The staff of the program will be comprised of professionals with training and experience in educational testing, guidance counseling, selection, tutoring, remedial program management, and program management in general.

The university will provide the staff to plan and implement activities financed with DT&S funds. Within thirty calendar days after this MOU goes into effect, the University's Directive Council will provide to USAID/G/OHRD the names, job title, and corresponding curriculum vitae of professionals for which approval from the USAID has not already been received. The staff shall consist of a director to plan and execute the program; and administrative assistant to be in charge of the daily operations; a counselor to organize and supervise such counseling services as on-site visits and individual consultations at the university where the student pursues his/her program of study remedial programs, and tutoring services; an examiner to plan and supervise the test administration; and a secretary.

CLAUSE IV. ADVISORY COMMITTEE

The Directive Council of the University will continue to utilize an advisory committee for the project. It will consist of the Director of the Center for Studies in Education, two members of the Directive Council, and another professional from the University staff.

CLAUSE V. THE TESTING PROGRAM

The test administration, test correction, analysis of test results, and the reporting of results accompanied with narrative summaries will be performed by the University's test administration staff. All students enrolled in the third and last years of secondary school will be invited to take the Differential Aptitude Test (DAT) each year.

CLAUSE VI. APPLICATION FOR SCHOLARSHIPS

The students will be advised that a small number of scholarships are available for which they can apply if they can demonstrate economic need. The USAID/G approved specific criteria and formula will be used to determine economic need and financial assistance.

CLAUSE VII. SCHOLARSHIP SELECTION PANEL

The recommendations for selection is to be based on objective evidence of both ability and need. The University will utilize a panel of professionally trained personnel to analyze the results of the aptitude tests, and the school records. USAID/G will establish the financial status of the candidate's family. The panel will also prepare publicity for the application process. USAID/G will make all final selections taking into consideration the recommendations of the panel. In order to facilitate the final selection of participants, the University will provide USAID/G's Office of Human Resources Development, the recommendations of the Scholarship Selection Panel as they pertain to each individual candidate being recommended for award of a scholarship.

CLAUSE VIII. PROGRAM CREDITS

Scholarship awards will be made in the name of the Merit Scholarship Program of Guatemala. A.I.D. will be identified in print media, as well as via television and radio, as the major funding source. Other major donors may also be identified. The "Universidad del Valle de Guatemala" will be named as the administrator of the program. Thirty days after this Memorandum of Understanding goes into effect, the University shall provide USAID/G/OHRD a report of how "Universidad del Valle" identified A.I.D. as the major funding source during 1988 and during the period this Memorandum of Understanding is in effect, the University will provide USAID/G/OHRD Program Credit information as it is produced and disseminated.

CLAUSE IX. PUBLICITY

The "Universidad del Valle" will publicize the program through all the public and private secondary schools as the University currently does with its present scholarship program and counseling program. The "Universidad del Valle" will also publicize the program in the print media, as well as television and radio. The publicity program constitutes a portion of the counterpart contribution for implementation of the Merit Scholarship Program.

CLAUSE X. STUDENT SCHOLARSHIP PROGRAMS

A) **Secondary School Graduate Program:** A recipient student may select his/her program of study from any of the Guatemalan universities if that university has a recognized program in that field of study leading to an academic degree. The counselor of the project staff will be responsible for the counseling of the recipient before he/she selects the program and during each semester of the student's study program to help assure the student's academic progress. The counseling services will include but not be limited to guidance, academic remedial program, tutoring by peers and professors. Counseling of all students, regardless of University choice, will be performed periodically by the "Universidad del Valle" project staff based on individual students needs and the counseling plan and timeline developed and presented to the USAID within thirty days after this MOU goes into effect. The counseling plan will provide USAID/G/OHRD sufficient information for understanding the scope of services, methodology for delivery of services, and the description of complementary student services provided by each participating university. The plan will be utilized to monitor program implementation and for the scheduling of periodic on-site visits to participating institutions, as well as for the scheduling of counselor, professor, and student interviews.

B) **Bachillerato Avanzado Pilot Program:** The USAID, under the terms of this Agreement, shall provide the "Universidad del Valle" the funds to finance eight scholarships for qualified disadvantaged students to pursue their junior and senior years at the Colegio Americano de Guatemala and the first three years of their post secondary studies at a Guatemalan university of their

choice. The "Universidad del Valle" agrees to provide funds to finance the fourth and fifth years of post secondary studies in order for students to complete requirements for a "Licenciatura" degree.

This experimental program will be financed to provide educational opportunities for talented Guatemalan youths whose academic preparation is inadequate for their secondary school program of studies. The purpose is to provide skilled teachers, and individualized remedial program, counseling services, etc. for enhancing the junior and senior year program, thus preparing these students for pursuing a post secondary program in Guatemalan institutions of higher education with very limited need, if any, for academic remedial services as compared to the remedial services required for current Merit Scholarship program students who did not participate in the Bachillerato Avanzado Program. Additionally, the post secondary program for these students will meet the minimal requirements of the current program provided scholarship recipients who study at a university of their choice.

Within thirty days after this Agreement goes into effect, the "Universidad del Valle" shall provide the USAID a complete description of the "Bachillerato Avanzado" Program for the eight scholarship recipients, and all other pertinent documents, as USAID may periodically require, to monitor this pilot program and objectively determine the feasibility of expanding it based on concrete data/information and the availability of funds.

The USAID reserves the right to periodically make recommendations for improvement of the pilot program in order to assist the "Universidad del Valle" implement a quality and cost-effective secondary school program, as well as to enhance existing post secondary school programs for talented and disadvantaged Guatemalan youths.

CLAUSE XI. STUDIES IN THE UNITED STATES

Students successfully completing two or more years of this program and having a minimum Test of English Fluency Level (TOEFL) score of 500 may spend a minimum of one year abroad studying in a United States institution of higher learning under the junior year abroad component of CAPS, utilizing PIO/P's as the funding mechanism. These students will be selected based primarily on outstanding achievement in the Guatemalan university and English competence. Additional selection criteria will be the appropriateness of the a broad model of study to the student's career aspirations and the potential contribution of the student's study to Guatemala's development. For the student to be accepted for the program of studies in the U.S., the Guatemalan university will have to agree, in advance, to accept the credits the student earns through U.S. studies.

The funding for the U.S. portion of the study program, if any, will be funded under the Junior Year Abroad component of CAPS (A.I.D. Project No. 520-362) and not under the Development Training and Support Project, A.I.D. No. 520-0384.

CLAUSE XII. SCHEDULE

DAT test results from program year 1988 will be utilized to select 1989 candidates for the Merit Scholarship program. Applications for the scholarships will be received and studied in order to award scholarships with adequate lead time for initiation of respective programs of study in January 1989.

CLAUSE XIII. CONTINUANCE OF THE PROGRAM

The program will work to encourage the use of additional resources from the private enterprise sector, international organizations, and from the Government of Guatemala to complement this pilot effort and to promote the continuance of the program at the end of USAID's direct involvement. The program staff and the University will study the "Educredito" concept as a possible means of facilitating program continuity. Within thirty days after this MOU goes into effect, the "Universidad del Valle" will provide the USAID updated information relative to progress obtained in modification of its own fund raising program to include an appeal for contributions to the National Merit Scholarship Program, since after the USAID funds are terminated, the University intends to continue the program.

CLAUSE XIV. TRAINING FUNDS

To finance the Merit Scholarship Program A.I.D. will provide three million seven hundred thirty-eight thousand fifty-six Quetzales (Q3,738,056) from Project 520-0384 on an incremental basis for this MOU. Attachment 2, Illustrative Budget, provides information relative to these training funds.

A.I.D. hereby earmarks and commits one hundred eighteen thousand three hundred ninety-five dollars (U.S.\$118,395) to finance administrative costs for academic years 1989 and 1990. A.I.D. hereby earmarks four hundred nine thousand six hundred fifty dollars (U.S.\$409,650) to be committed utilizing individual PIO.P's for participating students to finance academic years 1989 and 1990. Please note that twenty-five thousand dollars (U.S.\$25,000) for the evaluation process will be earmarked/committed through separate documents.

Funds to cover student costs and special administrative costs, as well as other approved expenses for Universidad del Valle's administration of the project shall be made available under a special rotating fund established by mutual agreement by and between the USAID and Universidad del Valle.

Rotating Fund

a) At the request of Universidad del Valle and subject to the conditions hereinafter set forth, USAID may make periodic advance payments to Universidad del Valle not exceeding 90 days actual cash requirements under this contract.

b) No advance payments shall be made without approval of the Deputy Chief, Office of Human Resources and the Controller of USAID. The funds made available to Universidad del Valle shall be deposited in a special, non-interest bearing bank checking account. No part of the funds in the Special Bank Account shall be mingled with other funds of Universidad del Valle prior to withdrawal thereof from the Special Bank Account. Each withdrawal shall be made only by check of Universidad del Valle signed by two persons designated by Universidad del Valle. The funds in the Special Bank Account may be withdrawn by Universidad del Valle solely for the purposes of making payments for allowable costs as defined in the Illustrative Budget. Whenever so requested in writing by USAID, Universidad del Valle shall repay to USAID such part of the unliquidated balance of the advance payments as shall in the opinion of USAID be in excess of current requirements. The advance will be liquidated by "no pay" vouchers submitted on a monthly basis.

c) To obtain payment:

1) Advances will be authorized for up to 90 days of actual cash requirements. In order to obtain an advance, the Contractor must submit a completed SF 1034 voucher in original and three copies, accompanied by a budget outlining the 90 days cash requirements. The vouchers must identify the contract and complete address where the advance is to be sent.

2) Advances will be liquidated on a monthly basis against a no-pay voucher, form SF 1034, related invoice and corresponding supporting documentation. After initial advance, amount of subsequent advances will be subject to review by the Deputy, Office of Human Resources, and the USAID Controller, given actual expenditures incurred and budget for additional 90 day period.

3) All invoices and vouchers (SF 1034) shall be approved by the Deputy, Office of Human Resources or his designee.

CLAUSE XV. ACCOUNTING PROCEDURES

The Universidad del Valle agrees to maintain accounting procedures and controls acceptable to USAID for the administrative funding the University receives. The University agrees to have an annual audit by a recognized commercial audit firm of the University program accounting records, in order to assure compliance with agreed to terms of this MOU

and other side letters. If it is determined in the audit that the University violated any of the terms of the MOU and any other side letters, USAID may request that the University reimburse USAID an equivalent amount.

CLAUSE XVI. ACCESS TO ACCOUNTING RECORDS

The University agrees to maintain records relative to the utilization of funds it derives from the MOU and to permit USAID personnel and the USAID Project Coordinator monitoring and access. Auditors and their agents must have complete access to accounting for the duration of the MOU, and for a period of three years following termination of the MOU. This access will be provided at all reasonable times and will include use of USAID supplied computer, records, and programs.

The contractor shall provide the authorized Government representatives proper facilities for inspection of the Contractor's books, records, and accounts.

CLAUSE XVII. PROJECT MANAGER FOR GUATEMALA

USAID will designate a Project Coordinator from its Office of Human Resources Development to serve as the principal contact between USAID and will monitor the performance of the institutions to insure that the conditions of the program as outlined in this MOU are being met. The USAID Training Office will serve as support office for PIO/P preparation.

CLAUSE XVI.II. TERM OF MOU

The term of the MOU, unless extended or terminated pursuant to the MOU, is five years, beginning the first day of January of 1989. The MOU termination date for the Merit Scholarship Program shall be September 30, 1993.

CLAUSE XIX. EXTENSION OF MOU

Subject to availability of funds for this purpose and the mutual agreement of the parties, the MOU may be extended beyond the term for periods up to one year each, under the same termination and conditions herein agreed, or as modified by mutual agreement.

CLAUSE XX. IF A SCHOLARSHIP RECIPIENT LEAVES THE PROGRAM

In the event that a scholarship student leaves his/her program of study for academic, disciplinary, or any other reason, the PIO/P will be cancelled and the institution will return to USAID all funds submitted for that student, on a pro-rated basis.

CLAUSE XXI. TERMINATION

A) **For Convenience:** The MOU may be terminated at any time for convenience by USAID or the University upon thirty days written notice to the other party.

B) **For Cause:** The MOU may be terminated at anytime for cause by USAID or the University upon thirty days written notice, if a party fails to comply with the terms of this agreement.

CLAUSE XXII. PROJECT EVALUATIONS

The project will be subject to two external evaluations. A process evaluation, to be conducted in November-December, 1989, will include an analysis of all USAID/G Merit Scholarship Project funded participants' academic performance and the adequacy of selection procedures. A final impact evaluation will be conducted at the conclusion of the Project, in July, 1993. Funds for these evaluation will be earmarked/committed through separate documents.

CLAUSE XXIII. REPRESENTATION

USAID is represented by the person holding or acting in the office of the Mission Director in Guatemala, or his/her designee. The University is represented by the person acting in the capacity of Rector of the Universidad del Valle de Guatemala, or his/her designee.

CLAUSE XXIV. ADDITIONAL PROTOCOL

Unless otherwise agreed to in writing, the parties hereto shall adhere to the procedures established in the original protocol established under A.I.D. Project No. 520-0362 which defines the manner in which various aspects of the MOU will be carried out, including, but not limited to the administration of the Merit Scholarship program, the transfer of funds, specific criteria for determining economic need, how the PIO/P process will function, and the manner of managing reports and communications between the Universidad del Valle and the other universities and between the Universidad del Valle and USAID.



For the Agency for
International Development
Anthony J. Cauterucci
Director



For Universidad del Valle
Miguel Angel Canga-Argüelles
Rector Universidad del Valle

Date: 1 January 1989

Date: 1 January 1989

ILLUSTRATIVE BUDGET

The amount of annual financial aid granted each student will be determined by institutional costs and other program related expenses.

1. AID agrees to provide an aggregate total of one million six hundred seventy-four thousand seven hundred ninety-seven dollars (US\$1,674,797.00) for implementation of the Merit Scholarship Program.

(a) Two hundred thirty-two thousand nine hundred thirty-two dollars (US\$232,932.00) from the Central America Peace Scholarship Project (CAPS), AID No. 520-0362 for financing the 1988 academic year of training only.

(b) One million four hundred forty-one thousand eight hundred sixty five dollars (US\$1,441,865.00) from the Development Training and Support Project (DT&S), AID No. 520-0384 for financing training and evaluations/audits from 1989-1993. Funds for financing Evaluation/Audits shall be earmarked/committed through separate documents.

2. Funding provided under the DT&S Project for this MOU shall be on an incremental basis.

a. FY -1989

Appropriation symbol: 72-1181021
Budget Plan Code: LES-8-88-25520-KG13
Project: Development Training and Support
Earmark Control Number:
Amount: Five hundred twenty-eight thousand, forty-five dollars (US\$528,045)

b. FY -1990

Three hundred seven thousand, ninety dollars (US\$307,090)

c. FY - 1991 three hundred forty thousand two hundred sixty five dollars (US\$340,265)

d. FY-1992 two hundred nine thousand, sixty five dollars (US\$209,065).

	1	2	4	5	6	7	8
1	Merit Scholarship Program						
2							
3	Table 1 Development Training and Support (DT&S) Project Funds						
4	Budget in US\$ for Life of Merit Scholarship Program						
5							
6	1 January 1989-30 September 1993						
7							
8	1. Student costs	CY-1989	CY-1990	CY-1991	CY-1992	CY-1993	TOTAL
9							
10	A. Program costs						
11							
12	1. Matriculation	3,150	3,400	3,700	4,100	2,610	16,960
13							
14	2. Tuition	53,000	58,400	64,000	71,000	45,240	291,640
15							
16	3. Board and Room	74,500	82,000	90,000	99,000	63,220	408,720
17							
18	4. Health	10,800	12,000	13,000	14,400	9,280	59,480
19							
20	5. Books	13,400	15,000	17,000	18,600	11,890	75,890
21							
22	6. Materials Supplies, and	40,000	44,000	50,000	55,000	35,380	224,380
23	Transportation						
24							
25							
26							
27	Sub-total (Program Costs)	194,850	214,800	237,700	262,100	167,620	1,077,070
28							

	1	2	4	5	6	7	8
29							
30	II Administrative Costs						
31							
32	A. Staff Salaries	30,000	33,000	37,000	42,000	22,000	164,000
33							
34	B. Fringe Benefits	6,000	6,700	7,500	8,100	4,500	32,900
35							
36	C. Testing Program	1,900	2,100	2,300	2,600	1,400	10,300
37							
38	D. Computer Time	1,900	2,100	2,300	2,600	1,400	10,300
39							
40	E. Publications	1,900	2,100	2,300	2,600	1,400	10,300
41							
42	Sub-Total Direct Admin Costs	41,700	46,000	51,400	57,900	30,700	227,700
43							
44	F. Indirect Costs (25% Administrative Costs only	10,425	11,500	12,850	14,475	7,675	56,925
45							
46							
47	G. Inflation/Contingency (10% of Administrative Costs)	4,170	4,600	5,140	5,790	3,070	22,770
48							
49							
50	Total Administrative Costs	56,295	62,100	69,390	78,165	41,445	307,395
51							
52	Total Costs (student costs plus Administrative costs)	251,145	276,900	307,090	340,265	209,065	1,384,465
53							
54	Evaluation/Audits*	25,000	- 0 -	- 0 -	32,400	- 0 -	57,400
		276,145	276,900	307,090	372,665	209,065	1,441,865

*Funds for Evaluation/Audits shall be earmarked/committed through separate documents.

	1	2	4	5	6
54					
55					
56	Merit Scholarship Program (DI&S)				
57					
58	Budget in US dollars				
59					
60	Table II Counterpart Contribution				
61					
62	Description				
63					
64	A. University, MOE, and private			Amount	
65	Sector Volunteers on Screening				
66	and Selection Committees				
67	(10 p/yrs x \$8,000/yr)			80,000	
68					
69	B. MOE Teachers, Administrators				
70	Facilitating Testing				
71	(25 p/yrs x \$5,000/year)			125,000	
72					
73	C. University Student Counseling			80,000	
74	and Companion Univ del Valle				
75	Testing, Guidance, and				
76	Scholarship Program				
77					
78	D. Free Advertising in Private				
79	Free Advertising in Private sector			10,000	
80	Newsletters, Bulletins, etc.				
81					
82	E. Private Sector Support			210,000	
83	Program for year 5 (OAS and FORD)				
84					
85					
86	F. Family and Other Support			50,000	
87	Directly to Students (100 x \$350)				
88					
89	Sub-Total			555,000	
90					
91	% of Counterpart to Total Cost				
92	25%				
93					
94	Total Project Cost AID			1,674,797	
95	A US \$232,932 CAPS				
96	B US \$1,441,865 DT&S				
97					
98	Total Counterpart			555,000	
99					
100	Grand Total			2,229,797	
101					
102					
103					
104					
105					
106					

12-