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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Washington, D. C. 20523

GUATEMALA

**PROJECT PAPER**

DEVELOPMENT TRAINING AND SUPPORT

AID/LAC/P-447

Project Number: 520-0384

**UNCLASSIFIED**

|  |  |   |                  |                    |
|--|--|---|------------------|--------------------|
| AGENCY FOR INTERNATIONAL DEVELOPMENT<br><b>PROJECT DATA SHEET</b>    |  | 1. TRANSACTION CODE<br><input type="checkbox"/> A = Add<br><input type="checkbox"/> C = Change<br><input type="checkbox"/> D = Delete | Amendment Number | DOCUMENT CODE<br>3 |
| 2. COUNTRY/ENTITY<br>Guatemala                                       |  | 5. PROJECT NUMBER<br>520-0384   |                  |                    |
| 4. BUREAU/OFFICE<br>LAC  |  | 5. PROJECT TITLE (maximum 40 characters)<br>Development Training and Support  |                  |                    |
| 6. PROJECT ASSISTANCE COMPLETION DATE (PACD)<br>MM DD YY<br>09/30/93 |  | 7. ESTIMATED DATE OF OBLIGATION<br>(Under 'B:' below, enter 1, 2, 3, or 4)<br>A. Initial FY 88 B. Quarter 4 C. Final FY 91            |                  |                    |

| 8. COSTS (\$000 OR EQUIVALENT \$1 = ) |             |           |           |                 |           |           |
|---------------------------------------|-------------|-----------|-----------|-----------------|-----------|-----------|
| A. FUNDING SOURCE                     | FIRST FY 88 |           |           | LIFE OF PROJECT |           |           |
|                                       | B. FX       | C. L/C    | D. Total  | E. FX           | F. L/C    | G. Total  |
| AID Appropriated Total                | 1,725       | 1,725     | 3,450     | 4,051           | 3,949     | 8,000     |
| (Grant)                               | ( 1,725 )   | ( 1,725 ) | ( 3,450 ) | ( 4,051 )       | ( 3,949 ) | ( 8,000 ) |
| (Loan)                                | ( )         | ( )       | ( )       | ( )             | ( )       | ( )       |
| Other U.S.                            |             |           |           |                 |           |           |
| Host Country                          |             | 1,150     | 1,150     |                 | 2,920     | 2,920     |
| Other Donor(s)                        |             |           |           |                 |           |           |
| <b>TOTALS</b>                         | 1,725       | 2,875     | 4,600     | 4,051           | 6,869     | 10,920    |

| 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) EH                             | 600                     | 700                   |         |                        |         | 3,900                          |         | 3,900              |         |
| (2) SD                             | 700                     | 700                   |         |                        |         | 1,600                          |         | 1,600              |         |
| (3) ES                             | 700                     | 700                   |         |                        |         | 2,500                          |         | 2,500              |         |
| (4)                                |                         |                       |         |                        |         |                                |         |                    |         |
| <b>TOTALS</b>                      |                         |                       |         |                        |         | 8,000                          |         | 8,000              |         |

|  |       |  |  |  |  |                                   |  |  |
|--|-------|--|--|--|--|-----------------------------------|--|--|
| 10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)<br>631 710 720 730 740 840 |       |  |  |  |  | 11. SECONDARY PURPOSE CODE<br>700 |  |  |
| 12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)                               |       |  |  |  |  |                                   |  |  |
| A. Code  | TNG   |  |  |  |  |                                   |  |  |
| B. Amount  | 8,000 |  |  |  |  |                                   |  |  |

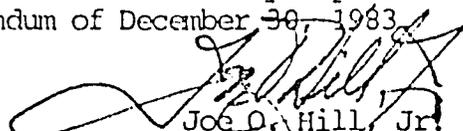
15. PROJECT PURPOSE (maximum 430 characters)

To develop a cadre of Guatemalan public and private sector representatives, at all socio-economic levels, to enhance their skills in policy making, planning, management and technical areas required to support Guatemalan political, social and economic development.

|                           |       |       |       |   |   |   |  |
|---------------------------|-------|-------|-------|---|---|---|--|
| 14. SCHEDULED EVALUATIONS |       |       |       | 15. SOURCE/ORIGIN OF GOODS AND SERVICES |   |   |  |
| Interim                   | MM YY | MM YY | Final | MM YY                                   | <input checked="" type="checkbox"/> 000 | <input checked="" type="checkbox"/> 941 | <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify) |
|                           | 09/90 |       |       | 09/93                                   |   |   |  |

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

I have reviewed the methods of implementation and financing of this project and certify that they are in agreement with Payment Verification Policy Implementation Guidance provided in AA/M, R.S. Rollis, Jr. memorandum of December 30, 1983.

  
 Joe O. Hill, Jr.  
 Controller

|                 |  |  |          |
|-----------------|--|--|----------|
| 17. APPROVED BY | Signature                                | 18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: |          |
|                 | Title                                    | Date Signed  | MM DD YY |
|                 | Paul E. White<br>Acting Mission Director | 10/8/93  |          |

Project Authorization

Name of Country: Guatemala  
Name of Project: Development Training and Support  
Number of Project: 520-0384

1. Pursuant to Sections 105, 106, and 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Development Training and Support Project for Guatemala, involving planned obligations of not to exceed \$8,000,000 in grant funds over a five (5) year period from date of authorization subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the project is five (5) years from the date of initial obligation.
2. The project consists of assisting Guatemala in its efforts to develop a cadre of Guatemalan public and private sector representatives, at all socio-economic levels, to enhance their skills in policy making, planning, management and technical areas required to support Guatemalan political, social and economic development.
3. The Project Agreement which may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to such terms and conditions as A.I.D. may deem appropriate.
4. a. Source and Origin of Commodities, Nationality of Services.

Commodities financed by A.I.D. under the project shall have their source and origin in countries included in the Central American Common Market, the United States (A.I.D. Geographic Code 000), the cooperating country, or other countries included in the Central American Common Market, except as A.I.D. may otherwise agree in writing.

Except for ocean shipping, the suppliers of commodities or services shall have the United States, the cooperating country, or other countries included in the Central American Common Market as their place of nationality, except as A.I.D. may otherwise agree in writing.

Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

b. Waiver

I hereby approve a source, origin and nationality waiver from A.I.D. Geographic Code 000 to the countries included in A.I.D. Geographic Code 941 to permit the procurement of training services in an amount up to approximately \$300,000.

  
Paul E. White  
Director, a.i., USAID/Guatemala  
8/12/88  
Date

Drafter:

PDSO: JFLombardo JFL Date 8/11/88

Clearance:

|                  |                    |                     |
|------------------|--------------------|---------------------|
| RLA: MWilliams   | <u>myw</u>         | Date <u>8/11/88</u> |
| PDSO: RStelman   | <u>RStelman</u>    | Date <u>8/12/88</u> |
| OHRD: LAyalde    | <u>LAyalde</u>     | Date <u>8/17/88</u> |
| PRM: TKellermann | <u>TKellermann</u> | Date <u>8/12/88</u> |
| ORD: HWing       | <u>HWing</u>       | Date <u>8/11/88</u> |
| OPSP: BGannon    | <u>BGannon</u>     | Date <u>8-11-88</u> |
| ADM: AWalsh      | <u>AWalsh</u>      | Date _____          |
| CONT: JOhill     | <u>JOhill</u>      | Date <u>8/13/88</u> |
| ADDIR: SSkogstad | <u>SSkogstad</u>   | Date <u>8/13/88</u> |

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I. SUMMARY AND RECOMMENDATIONS

A. Recommendations

It is recommended that the Mission Director, USAID/G, authorize a total of \$8.0 million for this five year Development Training and Support Project (520-0384). The proposed obligation broken out by funding sources is:

1. \$3.9 million in Education and Human Resources (EHR) funds;
2. \$1.6 million in Selected Development Activities (SDA) funds, and
3. \$2.5 million in Economic Support Funds (ESF).

USAID/G will sign an agreement with the Government of Guatemala's (GOG) National Planning Secretariat (SEGEPLAN). SEGEPLAN will serve as the official GOG institution for authorization of the project and as a depository for project funds.

Where possible and appropriate, AID dollar funding will be supplemented by GOG-owned ESF local currency (Technical Support Trust Fund) in support of international air fares for project trainees from the public sector. In addition, negotiations will be held with Guatemalan private sector business firms to share program and administrative costs with USAID/G for trainees selected from the private sector.

B. Summary Project Description

The goal of the project is to strengthen the economic, social and political development of Guatemala.

The purpose of the project is to develop a trained cadre of public and private sector Guatemalan representatives at all socio-economic levels, to enhance their skills in policy making, planning, management and technical areas required to support Guatemalan political, social and economic development.

Because of the broad political, social and economic impacts that development training has, it is planned and implemented in a full U.S. Mission context in Guatemala. That is, inputs are sought from political, technical and public information levels within the Embassy and USAID Mission. This broad-based approach enhances the opportunities for realizing synergy among the various activities supported by the U.S.

Government (USG) and it strengthens the possibilities of achieving success of both the individual activities and the overall USG program in Guatemala.

The project has two central foci: A) provision of training for key Guatemalan leaders in order to maximize rapid high level impact on institutional change and B) using that training to establish and/or strengthen communication between the private/public sectors for mutual consent in setting policies, programs and priorities in fields such as management and labor; management and government; and, labor and government. This project will also provide a training outreach and support program whose target audience will not only include U.S. Government sponsored trainees, but also privately funded students. The project consists of the following four components and twelve elements or sub-components:

1. Strengthen Private Sector Participation in the Social/Economic Development Process (\$0.6 Million)
  - (A) Industrial Relations
  - (B) Public/Private Enterprise Dialogue
  - (C) Non-profit NGO's
  - (D) Other programs
  
2. Improve Public Sector Policy and Program Analysis (\$0.8 Million)
  - (A) Financial Management Training
  - (B) Civil Service Training
  - (C) Statistical Training
  - (D) Other Programs
  
3. Education Sector Support and Improvement (\$5.4 Million)
  - (A) Merit and Zamorano Scholarship Program
  - (B) University/Faculty Improvement
  - (C) Other programs
  
4. Training Outreach and Support Program (\$0.05 Million)
  - (A) "Youth for Guatemala"

These project components and elements (or sub-components) were selected by USAID/G in consultation with

key Guatemalan private and public sector institutions, with USIS and other elements of the U.S. Embassy in Guatemala. The four components and twelve sub-components represent activities where specific requests for training have already been received by USAID/G and for which some initial studies have been conducted to determine need and commitment to undertake and support the training on the part of the recipient institution.

The importance of the selected sub-component areas to the achievement of overall U.S. goals and objectives in Guatemala and their relevance to Guatemalan goals and objectives have also been examined. The four components and twelve sub-components were selected from a list of many more as being key areas deserving U.S. support. The various components and elements complement one another and also directly support on-going and planned projects and activities of USAID/G, USIS and other USG agencies and institutions.

U.S. based training under the project will be implemented in the United States by continuing a long and successful relationship which USAID/G already has with AID/W's worldwide training programming agent and placement contractor, Partners for International Education and Training (PIET). PIET will be used to identify potential U.S. training sources based on requests from USAID/G. The USAID/G request will include a requirement for the training source to participate in the program by sending appropriate technicians to Guatemala to carry-out specific needs assessments and to offer short-term courses, workshops and/or seminars for potential trainees.

Acting on PIET's recommendation, training sources will be selected by USAID/G. The training institution selected for a particular training event will develop and conduct a general in-country training program (e.g., seminar, conference, workshop) in Guatemala at its own expense based on the assurance that it has already been chosen to conduct the U.S. training.

During the in-country training phase, the training source will pre-select a number of trainees who have the interest, talent and position within their respective organizations to benefit from U.S. (or Third Country) training and who have demonstrated a commitment to return from the training and work to influence and effect change. Once the candidates are selected by USAID/Guatemala, the U.S. training institution will then work with the selected trainees to design a specific program tailored to Guatemala's unique developmental needs and to the needs of the trainees.

Each subsequent year of the project, the U.S. training institution will return to provide direct follow-on to previously trained individuals and to hold a new round of in-country training activities which will lead to the selection of new candidates and to the development and/or refinement of course content for the U.S. training program. This mechanism shifts some of the costs of training, especially up-front training curriculum development, to the U.S. institution and we believe that some of the travel and per diem costs for the in-country activities can also be passed to the U.S. institutions in exchange for the assurance that they will be utilized for the U.S. training programs.

The direct involvement of the U.S. training institution in the design of curriculum and selection of trainees for this project is the innovative aspect of the project that differentiates it from other participant training projects. Because of this direct involvement by the U.S. training institution, the U.S. training under this project will be:

- tailored to the Guatemalan development context and the specific needs of the specific institutions and individuals who will benefit from the training;

- lower in cost than more traditional training because some costs are shifted to the involved U.S. institution;

- based on a selection process, carried out by the U.S. institution, that follows clearly defined criteria, is more objective and less likely to be shaped by extraneous pressures and influences; and

- more apt to have a direct impact because the selection made by the U.S. institution will be based on the performance of candidates in the pre-U.S. training course and their demonstrated commitment to use the training to promote institutional change.

Local Guatemalan institutions will be contracted work as counterpart institutions to the U.S. training institution. In addition to bringing extensive knowledge of the local environment, they also have the technical knowledge to assist with curriculum development and training. The local institutions will also assist in the logistical and bureaucratic processing required to make this project work. In those cases where only in-country training is called for, the local institution will play a larger role which includes making

sure that, where programmatically feasible, a local training institution is used to carry out this training.

Because of the heavy paperwork requirement of the project and the lack of a U.S. officer within USAID/G to produce it, a U.S. personal services contractor will be contracted for the life of the project.

The project will be managed by a technician in the Office of Human Resource Development (OHRD). A U.S. personal services contractor (PSC) will be contracted for the life of the project to provide a general management function over the project which includes assisting the local institutions with in-country activities, designing and implementing reporting systems for all training activities and carrying out the preliminary needs assessments in areas where information is not available and with USAID/G guidance, will be responsible for arranging with PIET for preliminary nominations of possible training sources. He/She will also be required to perform other project-related informational and reporting functions.

USAID/G will exercise administrative oversight for the project activities. The USAID/G project manager, working through a project implementation committee, will have final review and approval responsibility for all project trainees, training designs, programs, contractors and training sites. He/she will also perform liaison functions with the GOG, local Guatemalan institutions and U.S. training sources. USAID/G's Training Officer will insure that relevant AID rules and regulations are followed, will be responsible for overseeing the PIO/P process and for making all official contacts with PIET.

It is expected that by the end of the project there will be a significant increase in local and U.S. trained technicians, government administrators and officials, business executives, labor union officials and university faculty utilizing their newly acquired skills in policy and program analyses, and that there will be improved dialogue between the public and private sectors. Finally, there will be a marked increase in the number of scholars under the Merit and Zamorano Scholarship programs, some of whom may be provided with additional U.S. training funded by the Central American Peace Scholarships (CAPS) Project.

While the Merit and Zamorano Scholarship programs contribute to the achievement of the overall goal and objectives of the Development Training and Support Project, they were developed as an integral part of the Mission's CAPS

program and have a different "target group" than does other project components -- socially and economically disadvantaged youth. This target group does have in common with others to be selected under this project the requirement for leadership capacity and the potential to influence events in their environment. The Merit and Zamorano programs were transferred to this project from CAPS at AID/W's request due to an unexpected shift in AID/W's policy regarding "buy-in" activities under CAPS. These two programs are being and will continue to be directly managed by the Mission outside of the mechanism established for other elements of the Development Training and Support Project.

### C. Summary Findings

The Project Committee has reviewed the technical, economic, financial, institutional and social aspects of the project. Based on this review, the Committee recommends the authorization of the project for \$8 million in grant funds.

The project meets all applicable statutory criteria. The project is not expected to have a detrimental impact on the environment, and a negative determination was recommended in the Initial Environmental Examination (IEE).

## II. PROJECT BACKGROUND AND RATIONALE

### A. Guatemala Political and Economic Setting

The fact that Guatemala has returned to political democracy, and that judicial norms are a positive force in addressing basic human needs and developing programs for social and economic development has brought recognition by the international community and has placed Guatemala back in the "community of nations" concerned with democratic principles of government and basic human rights. The two years of constitutional rule have brought about many successful reforms and has contributed to a restoration of economic stability. For example, domestic price and cost inflation is now fairly well under control; the exchange rate of the national currency has been readjusted to more realistic levels; and interest rates are positive in real terms. Other economic indicators are seen as encouraging. In select areas, foreign investment has slightly increased and there has been modest gains in real GDP.

In spite of these positive political and economic trends, problems persist that continue to threaten Guatemala's fragile democracy. Two issues of concern are the polarization of the society, exacerbated by the serious friction and disagreement between the public and private sectors, and other social and economic problems and conditions which continue to pose substantial barriers to stable growth and development.

Illustrative of the serious strains on the society are facts such as those that follow:

- Approximately half of the population still does not have access to adequate education and health services, potable water and electricity;
- Less than half the adult population is literate, the second lowest rate in the hemisphere;
- In the urban areas extensive pockets of abject poverty exist alongside considerable affluence; and
- Infant mortality is as high as 150 per 1,000 live births in some rural communities.

Added to this, the population is growing at close to 3% per year (Guatemala is already the largest populated country in Central America) and per capita income is 20% below that of 1980 in spite of modest GDP growth in the last year. Finally, small but persistent bands of Marxist guerillas operate in isolated parts of the Highlands and the Peten area.

The GOG must address these varied problems with an ability to analyze socio-economic issues, set policy for national priorities and design projects in concert with AID and other donor agencies to alleviate the constraints to equitable growth and development. However, among the critical problems facing GOG is its inexperience in meeting its extensive responsibility with regard to executive, judicial and legislative matters.

#### B. Human Resource Development Constraints and Needs

The strengthening of Guatemalan institutions is of paramount importance to the resolution of its development problems. It is imperative that public and private sector leaders, officials, administrators and managers acquire broader and deeper management and administrative skills so that institution building and development can be accelerated over the near and medium term. Indeed, the USG's response to the

evolving Guatemalan situation described above is to support the consolidation and institutional strengthening of Guatemalan democracy as its principal objective. The proposed project is based on this objective, with the specific purpose of developing a cadre of public and private sector leaders and mid-level professionals with policy making, planning, management and technical skills required to support Guatemalan social and economic development.

The key to this project lies in the procedures, process and criteria for selecting those unique individuals with demonstrated potential to influence the current and future development of Guatemala. There are both short and long-term objectives relating to impact but achieving success early on and setting the stage for initiating continued institutional change is the foundation and rationale for this project. By selecting senior- and mid-level professionals who can promote and effect needed changes along with the establishment of a sounder public/private sector dialogue, this project will assist the GOG to more effectively deal with some major political, social and economic issues it faces today.

In addition, U.S. sponsorship of training for key public and private sector leaders via U.S. training institutions will serve to strengthen relationships between the U.S. and Guatemalan institutions, permit Guatemalan trainees to view U.S. political, social and economic institutions and establish ties among various public/private sector institutions for mutual benefit. Because of the importance placed on these benefits, The project can be categorized as a "Scholarship Diplomacy" activity rather than a more traditional AID "Participant Training" activity.

The primary focus of this five year project is to support Guatemala's human resource development, thereby enabling the GOG and the private sector to examine and pursue broad organizational, policy and program issues needed to accelerate development. The project will also assist in meeting plans and targets established under the Central America Initiative (CAI).

### C. Project Strategy and Rationale

This project is distinguished from other similar general development training projects along several dimensions. First, it seeks to recruit Guatemalan leaders for training who can influence and effect institutional change. Second, it is designed to bring together leaders and officials from government, business and labor to establish a functional

forum for addressing socio-economic problems and constraints, and to resolve differences and issues germane to Guatemala's social and economic development.

Third, it establishes a solid relationship between the U.S. Mission and the trainees during recruitment, selection, training and follow-on activities by establishing close USAID/G oversight of the project in a meaningful way (see implementation section). Finally, this project directly involves U.S. training institutions in joint design of curriculum and course content with a counterpart local institution and with beneficiary institutions. The project strategy ensures that this institutional context and support will be maintained over time.

This occurs through the programming of in-country seminars prior to U.S. training. These seminars involve the U.S. training institutions, beneficiary institutions and key individuals, including returned trainees, and lead to the specific design of the U.S. training and subsequent follow-on programs. In addition to making the training more relevant to Guatemalan needs, this project strategy also reduces training costs substantially, responding to the Agency's cost containment mandates. While not developed in the period immediately following the Kissinger Commission (NBCCA) Report, it responds to the training, University linkages and democratic strengthening recommendations of the Commission.

#### D. Relation to AID Policy and Mission Program Strategy

Development training is a critical element of U.S. foreign assistance programs and a vital investment in human resource development, providing trained and educated citizens across all sectors to improve the quality of life and to meet basic human needs. Development training is also critical to the shaping of ideas, attitudes and behavior, which are necessary for establishing a stable political, social and economic environment for growth and development.

USAID/G's overall training objective, consistent with the above philosophical tenets, is to develop and provide relevant training to both the public and the private sectors in order to strengthen and complement both sectors and to expand private sector participation in the overall development process. In order to accomplish this, USAID/G's training strategy, as set forth in its Country Training Plan (CTP), proposes increasing private and public sector training by:

- Reprogramming current projects to introduce more development training;
- Incorporating development training components into new projects; and
- Developing this general training program to cover areas not impacted by other Mission programs.

The focus of the project in terms of the components and elements outlined have a close programmatic relationship to AID overall objectives in Guatemala. Care will be taken in implementation to ensure that specific training provided under this project will not duplicate other AID-sponsored training or project activities.

#### E. Relations to Government of Guatemala Strategy

After 15 years of military control, Guatemala has just completed two years under a democratically elected government. The Government of Guatemala (GOG) has established national objectives which correspond very closely to the overall direction of U.S. assistance for Central America as formulated under the National Bipartisan Commission for Central America (NBCCA) and the Jackson Plan. The GOG objectives are to address external economic debt and internal social debt -- two complementary programs which involve the fusion of public and private sector resources and initiatives.

In order to support GOG goals and objectives and the overall U.S. Government program in Guatemala, including strengthening the role of the private sector in Guatemala's development, this Development Training and Support Project establishes a policy dialogue between the two sectors and trains and supports current and future sector leaders. By doing this, the project addresses key issues of institutional reform and the need for better coordination and communication among various segments of Guatemala's society.

#### F. Relation to Other Donor Activity

Several donors provide training grants for public and private institutions; however, their efforts are isolated and small. Much additional assistance is needed to meet Guatemala's priority development needs.

In the interests of doing better planning for technical cooperation financed from abroad and to assure that resources are used in projects that respond to the economic,

social and institutional development interests of Guatemala, SEGEPLAN in collaboration with the United Nations Development Program (UNDP) developed and implemented a project to review the international technical cooperation experience in Guatemala over the past several years. The following gives a breakdown of people trained abroad during the period 1981-86 according to the UNDP-SEGEPLAN project survey.

NUMBER OF PERSONS TRAINED ABROAD  
PER SECTORS (1981-1986)

| Sector         | Technical Level Training | Superior Technical Level Trg. | Superior Level Training | Graduate Degree Training | TOTAL |
|----------------|--------------------------|-------------------------------|-------------------------|--------------------------|-------|
| Education      | 191                      | 106                           | 23                      | 23                       | 343   |
| Health         | 125                      | 36                            | 18                      | 4                        | 183   |
| Energy         | 9                        | 19                            | 14                      | 9                        | 51    |
| Finance Mgt.   | 425                      | 60                            | --                      | --                       | 485   |
| Transportation | 4                        | 44                            | --                      | --                       | 48    |
| Agriculture    | 49                       | 84                            | 107                     | 4                        | 244   |
| Multisectoral  | 143                      | 11                            | 5                       | --                       | 139   |
| TOTAL          | 946                      | 360                           | 167                     | 40                       | 1,493 |

1/ Taken from the USAID/G Country Training Plan FY 1988

### III. PROJECT DESCRIPTION

This project will fund training and related support activities in the United States and in Guatemala, or Third-Countries, for host government officials, private sector individuals, university faculty, and for socially and economically disadvantaged youth. Training will be programmed in areas which complement but do not overlap with training funded within USAID/G's project portfolio or available under the Central American Peace Scholarship Program. The project also includes training to support broader Country Team concerns with a particular focus on complementarity with USIS activities such as the Fullbright, International Visitors, CAMPUS, AmParts and other programs.

In most cases, a three-tiered training modality, sometimes called "sandwich training" will be used. In-country training will be provided initially to a large group of Guatemalans in a given content area. The most successful of these trainees will be selected for subsequent U.S. or Third-Country training. Finally, significant in-country training will be provided by the returnee, sometimes in conjunction with the off-shore training institution as a follow-on or multiplier activity. Where appropriate, local training sources will be utilized for in-country training as an integral part of the project objectives to strengthen Guatemalan institutions. Even though the "sandwich" model will predominate, there may be cases where only in-country or only off-shore training is provided under this project.

Training areas will include but not be limited to leadership development, policy and program analysis, management skills and selected technical training. Development needs such as financial management, statistical training, tourism, environmental training, administration, project design, institution building and various entrepreneurial and business skills will be target subjects. Also, training areas will cover labor-management relations, university administration and faculty upgrading. Other areas will be considered under the broad categories of public administration, management, policy analysis and program development as appropriate to GOG institution building needs and priorities.

This project will require a well designed process for identifying and selecting the appropriate candidates for training. Recruitment and selection procedures are important factors in all development training programs -- they are particularly critical to the success of this project. The

acquisition and utilization of skills and attitudes resulting from training are important in this project, but even more important is the transfer of training to co-workers, colleagues and subordinates to effect institutional and policy change.

For example, training in policy, mediation and labor-management relations are specific priorities to improve the dialogue between the government and certain elements of the private sector. The candidates selected for this type of training must hold influential positions in their respective sectors so that they will be in a position to spread the benefits of the training and to support changes within their institutions at appropriate levels.

General selection criteria will include, but not be limited to, the following:

- Demonstrated leadership qualities and/or organizational skills;
- Relatively influential positions of authority, management, administration and/or professional status in the public or private sectors;
- Potential leaders who are at mid-career or higher status and/or who have exhibited talents for management and administration;
- Skilled technicians who have a sensitivity for institution building and who understand and/or appreciate the relationship of their jobs to the institution building process;
- Persons who have the capability and commitment to pass on training or to advocate changes in administration or operations to improve output; and
- Positive attitude toward the cooperation of the public/private sectors and willingness to participate in resolving national issues and problems.

These general criteria will focus on trainees who hold current positions at supervisory or decision-making levels in the government, business and labor sectors. Selection for other mid-level technical and support training and for the micro-enterprises sector will consider the above criteria where relevant but may also be subject to additional criteria. For example, for mid-level technical training the selection criteria will include potential for utilizing the training,

current position, upward mobility, past record, potential for growth, financial need and/or willingness to cost share with USAID/G. Specific criteria for each major area of training will be developed as needed, building on the general criteria outlined above.

Care will be taken to avoid favoritism, nepotism or selection which is not based on Guatemalan needs. As stated in the draft Mission Women in Development (WID) strategy and to the extent possible, the project sets a target of reaching 40% women; however, the distribution is likely to be uneven across all training fields. As programmatically feasible, the project will program activities on the campuses of Historically Black Colleges and Universities and Hispanic-oriented institutions. The Mission believes that the involvement of these kinds of institutions in the training will serve to enrich not only the Guatemalan trainees involved in the experiences but will also enrich the Black or Hispanic institutions offering the training.

#### A. Goal and Goal Achievement

The goal of this project is to strengthen the economic, social and political development of Guatemala.

A well-developed, highly skilled human resource base which will contribute to the formation of more effective institutions is essential to goal achievement. This, in turn, will provide leadership and technical skills needed for accelerating social, economic and political development in Guatemala and will integrate the participation of the public and private sectors, including the private voluntary community in meeting Guatemala's critical development needs.

Guatemalans who participate in this project will be in better positions and be better equipped to influence the current and future development of their country and to apply their training to upgrading technical capabilities and to support Guatemala's institutional framework.

#### B. Purpose and End of Project Status

The purpose of this project is to develop a trained cadre of public and private sector Guatemalan representatives at all socio-economic levels, to enhance their skills in policy making, planning, management and technical areas required to support Guatemalan political, social and economic development.

It is expected that by the end of the project there will be an improvement in:

1. Management and financial management capability in the public and private sectors;
2. Leadership capacity;
3. Labor-management relations in both the public and private sectors;
4. Personnel practices in the Guatemalan Civil Service System;
6. Individual and institutional linkages between Guatemala and the U.S. at the university and other levels of society;
11. Reaching out to Guatemalans studying abroad and encouraging their return;
8. Public/policy dialogue in social, political and economic development in such areas as labor mediation, tax legislation, fiscal policy and the national budget;
9. Innovative training approaches which offer more relevant training to meet Guatemala's development needs at lower costs than more traditional training mechanisms;

In order to accomplish these objectives, project management must ensure close coordination and cooperation among the GOG, the private sector, the labor and university sectors, USAID/G, and other elements of the U.S. Mission and the training providers.

### C. Project Outputs and Related Inputs

It is estimated that a minimum of 328 Guatemalans will receive training in the United States or in third countries over the life of the project. Of this total, twenty-four (24) university faculty will obtain MA degrees and ten (10) will complete Ph.D. studies. In addition, some 1,400 Guatemalans will be trained over the five year period in in-country seminars, workshops and conferences. These programs will serve as selection mechanisms and/or as follow-on and multiplier impact sessions.

Since an important objective of this project is to transfer skills, knowledge and ideas to colleagues, subordinates and other professional contacts of trainees, the spin-off effect of training is anticipated to cover a minimum of 500 professionals, technicians and leaders in government, business, labor and education -- an extremely conservatively estimated leverage factor of approximately 4 to 1

It is also estimated that through the Training Outreach and Support component, all Guatemalans presently studying in the United States (approximately 5,000) will be located and that by maintaining closer contact with them, a higher percentage will return to Guatemala upon completion of studies to contribute to the country's social and economic development. This component will serve U.S. Government-funded and privately-funded students.

To be more specific, following is an illustrative list of the types of recipients who will benefit from the training provided in the project:

- (1) Government officials and administrators (596) utilizing their newly acquired skills to strengthen government institutions;
- (2) Private sector leaders, including labor unions and NGO's (722), utilizing newly acquired skills to design policies, strategies and projects to meet critical development needs;
- (3) Disadvantaged youth completing educational pursuits (170);
- (4) University faculty receiving advanced degrees (34).

AID inputs over the life-of-project (LOP) are the following:

| <u>CATEGORY</u>               | <u>US\$000's</u> |
|-------------------------------|------------------|
| Training                      | 5,726            |
| Training Outreach and Support | 50               |
| Evaluation and Audit          | 250              |
| Implementation                | 950              |
| Inflation                     | 228              |
| Contingencies                 | <u>796</u>       |
| TOTAL                         | 8,000            |

D. Project components

The project is divided into four basic components, with twelve sub-components or training elements (specific training categories). The components represent key target sectors which are important for accomplishing Guatemalan and U.S. goals and objectives. The training sub-components represent specific public and private sector areas for human resource development from which trainees will be selected. As was mentioned earlier, these areas were selected by USAID/G the Embassy in consultation with Guatemalan private and public sector institutions.

The components represent key target sectors which are important for accomplishing Guatemalan and U.S. goals and objects. The training sub-components represent specific public and private sector areas for human resource development from which trainees will be selected. As was mentioned earlier, these areas were selected by USAID/G and elements of the Embassy in consultation with Guatemalan private and public sector institutions. Also, the selection of training areas under this project has been closely coordinated with training activities funded within USAID/G's project portfolio or under the Central American Peace Scholarship Program. Training activities will not duplicate or overlap with other USAID/G project training activities.

The components and sub-components represent areas where specific training requests have been received and studied, and have been determined to be important for Guatemala's development and are appropriate for U.S. assistance. They were selected from a list of many more potential training areas based on their importance and the fact that the requesting institutions have demonstrated a commitment to them. Finally, the components and specific training areas complement various other USG-supported programs and activities in Guatemala.

The training categories are not to be considered mutually exclusive or rigidly restricted. The major project goals, for example, tend to be interdependent so that training content may cover more than one training objective. The selection and categorization of training areas in this Project Paper primarily represent targets of emphasis and concentration identified and developed at the time the Project Paper was being prepared.

This should not exclude the possibility of working in other areas such as natural resource management and conservation of biodiversity in tropical forests, expansion of

English language programs, vocational training and women in development, to name just a few. All training funded under the project, however, will be designed to improve decision making, management, administration, or to provide specific technical skills needed for Guatemala's development.

Exhibit 1 shows the four components and twelve specific training categories:

EXHIBIT 1

Project Components

1. Strengthen Private Sector Participation in the Social/Economic Development Process
  1. Industrial Relations
  2. Private-Public Sector Dialogue
  3. Non-profit NGO Capability Enhancement
  4. Other Programs
2. Improve Public Sector Policy and Program Analysis
  1. Financial Management Training
  2. Civil Service Training
  3. Statistical Training
  4. Other Programs
3. Education Sector Support and Improvement
  1. Merit and Zamorano Scholarship Program
  2. University Faculty Improvement
  3. Other Programs
4. Training Outreach and Support Program
  1. Youth for Guatemala

The majority of trainees will participate in short-term training programs in the form of seminars, workshops or conferences in Guatemala, followed by selected training in the U.S. or Third Countries. While some training under this project may be individually programmed, the majority of trainees will attend in a group. Exceptions to this are the Merit and Zamorano Scholarship Programs and the University Faculty Improvement activities which are long-term training in either the U.S., Guatemala or Third Countries.

The project will be managed by a technician in the Office of Human Resource Development (OHRD). Local Institutions (counterpart institutions) will be contracted to assist the U.S. institution with the logistics of organizing in country activities, to provide backstop support to the U.S./ training institutions and USAID/G in the selection of trainees for U.S/ or Third Country training, and to process the trainees (all required paperwork) to implement training activities for both in-country and off-shore training.

Because there will not be a U.S. Direct Hire employee who can dedicate full time to this project and because of the large paperwork load it will take to document the project correctly, a personal services contractor (PSC) will be hired to work with the local institutions for the life of the project. This PSC will be responsible for carrying out initial needs assessments and for arranging with PIET for preliminary nominations of possible training sources. He/she will also perform other project-related informational, monitoring and reporting functions, including establishing and maintaining required reporting formats and English-language computer glossaries which will assure that all elements of the project are properly and completely documented.

USAID/G will exercise full administrative oversight for all project activities. The USAID/G project manager will have final review and approval responsibility for all project trainees, training designs, programs, contractors and training sites. He/she will also perform liaison functions with the GOG, local Guatemalan institutions and U.S. training sources. USAID/G's Training Officer will insure that relevant AID rules and regulations are followed, will be responsible for overseeing the PIO/P process and for making all official contacts with PIET.

Following are descriptions of each project component and sub-component (in all cases where U.S. training institution is mentioned it should be understood that this may, in some cases, represent a Third Country as well as U.S. option, e.g., U.S. institution should be interpreted broadly as an "off-shore training institution"):

1. Component 1: Strengthen Private Sector Participation in the Social/Economic Development Process

This component is designed to strengthen the capabilities of private sector organizations and entities to participate in the social/economic development process.

A key focus will be on communication and coordination between the private and public sectors in order to achieve mutual understanding of each sector's issues, perceived problems, strengths and weaknesses and constraints to growth and development. Training for labor unions in labor-management relations is a key activity under this component.

A second objective of this component is to provide management and technical skills to improve planning and operations in the NGO's and in the business sector. The NGO training will concentrate on improving their overall ability to assist in the development process through more effective and coordinated delivery systems. Training in the business community, on the other hand, will not only be provided in the broad areas of management, but in other skill areas. A common thread between NGO's and the private sector business community will be the need for communication and coordination with the public sector. Component elements are discussed below.

a. Industrial Relations

The purpose of this training is to improve labor-management cooperation and relations with an emphasis on Guatemalan labor union members and leaders. In addition, appropriate GOG officials and private sector managers and supervisors will also be trained.

Guatemala now has seventeen (17) federations with 302 unions and 211 affiliates. They are all under the Confederación de Unidad Sindical de Guatemala (CUSG). CUSG has approximately 150,000 members. The confederation, which was organized in 1983, is a leading advocate of union issues and as the largest labor organization, presents a forum for dialogue between the private sector and appropriate government officials. Two other major labor organizations are the Coordinating Committee of Guatemalan Workers (UNSITRAGUA) and the Union of Guatemalan Worker's Union (UNSITRAU).

The current relationship between the unions, government and business is characterized by suspicion, lack of cooperation, misunderstanding and in many cases inability to communicate. A key objective of this training is to establish better communication with all sectors through training in labor-management, arbitration, mediation and policy dialogue.

While the major focus of this training is to address labor union and management cooperation, the project may also study the possibility of including programs designed to assist the GOG in its relations with government employees, who

are not officially unionized but nonetheless are independently organized within each of the GOG agencies and ministries. Thus, the project design may have a dual focus, one on official union activity within Guatemala and the other on improving the relationship, communication and coordination between government agencies and their employees. Each of these is briefly discussed below:

#### Labor Union/Management

The issue of labor-management cooperation is seen as a critical area in support of Guatemala's economic and social development. It is essential that better understanding between labor and the private and public sector be achieved and that a dialogue be established for fruitful discussion of common issues and problems. The strained relationships which currently exist between the various sectors present major problems in pursuing economic reforms, social progress and consolidation of Guatemala's democracy. If the relationship between labor, government and the private sector continues to deteriorate, this could have multiple repercussions and negative consequences for Guatemala's economic, social and political stability.

While the training and objectives proposed under this project are not expected to completely reverse an already tendentious situation, it is expected that major steps can be taken to:

- (1) Establish a forum for dialogue among all relevant parties;
- (2) Create better understanding of labor/management issues and problems, and,
- (3) Create an improved climate of cooperation and communication.

This will be accomplished by developing training programs which bring together labor, government and private sector leaders to exchange views, discuss resolutions to current problems and develop a means for a continuing dialogue.

The first condition for improved cooperation is communication within an objective framework. Leaders and officials will be selected and brought together for training programs in the U.S. by the Department of Labor and other organizations concerned with labor-management relations. Opportunities will also be provided for specific training in the areas of communications, public relations, mediation,

arbitration and other issues relating to unionization and public/private sector concerns.

While labor-management training is fairly standardized, provisions will be made for incorporating into courses the specific and relevant labor-management issues in Guatemala. This will be achieved by bringing course instructors to Guatemala to offer in-country training for both labor and management in preparation for finalizing U.S. course curriculum. "Case studies" in training will be developed which allow substantive exchange between the trainees on specific issues, problems and concerns. This will be done through preparatory conferences, workshops or seminars and follow-on training in Guatemala.

In-country training will be carefully organized and provided with the full participation of all involved institutions so as to avoid the possibility of any unduly harsh political confrontation or adversarial circumstances. Members of all sectors have stated to USAID/G and Embassy officials that training conducted by a neutral third-party will be successful if trainees are properly selected and the training is well conceived, organized and presented by the U.S. institution. They also state that this could not be achieved if the training is sponsored by any one of the interested groups in isolation from the U.S. organization.

The in-country training, among other things, will set the stage for U.S. training by giving the U.S. institution the information needed to design relevant programs. The U.S. training, because it is in a "neutral environment", will be able to elicit a psychological cohesiveness on the part of the trainees as a unified, national group even though they represent diverse sectors with sometimes conflicting viewpoints.

#### Selection of Candidates

The selection of candidates will be primarily done based on the experience of the U.S. institution, working closely with the in-country counterpart institution, as appropriate. The candidates will be drawn from both current and potential leaders in labor, government and the private sector who have or will hold relatively influential positions of authority in order to maximize the possibility for effecting positive change in policy, programs and activities. An inherent objective of this training is to develop constructive attitudinal or behavioral change from the acquisition of new skills or new ways of approaching problems.

Problem-solving techniques and skills are of vital importance to labor-management negotiations and cooperation. Candidates, therefore, should be selected based on:

- (1) A demonstrated willingness to participate in the training and a positive attitude towards improving relationships;
- (2) Experience in some aspect of labor-management issues, and openness to ideas and other opinions, and
- (3) Capability to utilize training for improving policy dialogue and cooperation among labor, management and government.

The specific manner in which candidates are to be selected will be left to the U.S. training institution in conjunction with the individual organizations and entities participating in the project. The criteria specified above, however, will be further developed on a case-by-case basis and applied to the selection process. USAID/G and labor officials of the Embassy will be directly involved in the selection process for labor leaders where appropriate. This involvement will also be defined on a case-by-case basis.

Significant activity in terms of developing ideas for training in this sub-component has already been carried out. USAID/G management, the U.S. Ambassador and numerous technical officers have met with the Labor Minister and his key staff, members of the private sector, labor union leaders and union members on various occasions to discuss issues relevant to this training sub-component. In all cases, interest in this kind of training has been found to be significant and all parties see a role for the kind of training that the U.S. can provide as being critical to accelerating dialogue and positive action among the various players.

USIS has implemented a series of activities such as AmPart visits in the labor field and WorldNet presentations about labor/management issues to stimulate interest in and help define the areas where labor training can be most useful in promoting understanding and professionalization in these sectors. Because of the extensive work already placed in setting the stage for this training, this sub-component is ready for immediate implementation.

#### GOG Labor Issues

A corollary to the labor training is the separate issue of the GOG and its employee relationship. While

government employees are not formally organized into unions, they do represent independent groups of workers in the various departments and ministries such as the Ministry of Agriculture and the Ministry of Health. As of now, the various government workers have not been organized into a homogeneous group under the aegis of a federal employees union. Instead, the workers have formed separate and independent groups representative of the different agencies and departments where they are employed. These public employees, although not officially unionized, have the power to disrupt government operations and on more than one occasion have achieved the unity as a whole to threaten the government with mass strikes.

If there is a sufficient level of interest, it would be useful for government officials in agencies such as the Civil Service and Labor Department to receive training in labor affairs and other issues to address the organization of federal workers. Also, depending on the relative state of affairs between the GOG and the public employee organizations at the same time of project implementation, it may be possible to use this kind of training to establish more effective communication and coordination between the two groups.

The selection of GOG leaders and, if appropriate, representatives of federal employee organizations must be based on their ability to promote and establish official and unofficial relationships with organized workers. In effect, this suggests that government agencies dealing with central government employment (i.e., the Civil Service) should be closely involved in negotiations. However, the same above-mentioned criteria should apply to the selection of trainees in the public (GOG) and private sectors.

This training element for labor-management relations crosses over with Civil Service training and integrates the training objectives as well as training elements. Thus, integration of training will occur frequently not only between sub-components in the project, but also between GOG agencies and private sectors and within the benefiting agencies and sectors.

No pre-project work has been done on this component. Because of the sensitive nature of the subject, a long lead time is required for contact, discussion, negotiation and development of a program in this area. This element is not ready for implementation in the early stages of this project.

Element Cost AID

- In-country training  
150 trainees at \$600 per trainee - \$90,000

- U.S./Third Country Training  
50 trainees at \$2,000 per trainee -  
\$100,000

TOTAL: \$190,000

Potential institutional involvement:  
Labor Training: USDOL, AIFLD, INCAE  
GOG Organizations: OPM, INAP

b. Private-Public Sector Dialogue

The purpose of this training element is to select 12 Guatemalan current and potential future leaders to participate in a leadership training program which combines both technical/skills training appropriate to each trainee's profession, but also exposes them to public/private sector dialogue, international relations, development concepts and strategies and administrative/management training.

Trainees will be provided with special programs designed to support their professional development and prepare them for leadership roles in both the public and private sectors. Training will be developed in a manner similar to the Humphrey Fellowship Program and will focus specifically on bringing together leaders from government, labor, and business to explore issues and problems concerning Guatemala's social and economic development, as well as to seek areas of coordination and cooperation between the various sectors for resolution of problems.

A major current issue facing the GOG is rebuilding the societal framework and establishing linkages among key sectors in order to promote constructive dialogue and a foundation to strengthen the process of coordination and cooperation. This process requires leadership and direction from officials and managers who can influence, change and have the authority (or access to authority) to change policy and/or initiate new programs in the pursuit of institutional change.

The specific nature of such change cannot be determined until the training actually takes place because it will result from the interaction of sector leaders. It will be based on those issues which emerge or take shape through dialogue and through the examination of each sector leaders' concerns, priorities and positions vis-a-vis social and economic development.

The selection of candidates will be made by the U.S. institution based on the candidate's relative

positions of influence and prospects for future leadership roles. Programs will be individually tailored to the needs of the representatives from government, labor and business and the focus of the training will be on providing an opportunity to begin a dialogue across sectors, to analyze policy and programs (or strategies) which will need change, and to formulate new policy initiatives or new programs in order to take other steps toward needed institutional change. This component is ready for immediate implementation.

Element Cost AID

- U.S./Third Country training  
12 trainees at \$12,000 per trainee -  
\$144,000
- In-country training  
60 trainees at \$425 per trainee - \$25,500

TOTAL: \$169,500

Potential institutional involvement:  
IIE, INCAE

c. Non-profit NGO's Capability Enhancement

Non governmental organizations (NGO's) play a major role in host country development programs and often provide the only resources for specific social and economic development projects. NGO's participate in programs and projects which range from health and nutrition to providing farmers and small enterprise owners with loans and capital. Moreover, NGO's are often responsible for national host country programs which are indispensable and integral components of national goals and objectives, and are sometimes also vital to AID's country strategy and plans.

The importance of NGO's and their ability to effectively design, implement and evaluate programs to improve the quality of life and support human resource development cannot be underestimated. NGO programs and projects cut across all sectors including health, nutrition, environment, agriculture, forestry small and medium scale enterprise development, banking and finance, labor, commerce and industry. The range and depth of NGO resources can provide host countries and donor agencies with invaluable help and technical skills in a number of areas.

In order to strengthen the role of NGO's in Guatemala, particularly with regard to policy dialogue, planning and programming, this training element will provide

development training to mid-level NGO officials in two critical areas:

- (1) Program/project development, and
- (2) Policy analysis and dialogue

Training for NGO staff in program and project development may include several areas such as health, agriculture, environment, statistical analysis, survey methodology, logistics, management, grantsmanship and finance. Training will focus not only on technical high-level skills (which cut across other sector training in financial management and statistics), but also on macro-level planning and development, especially in the coordination and cooperation with host country and other donor agencies and programs. NGO's need to coordinate their planning and implementation of programs and projects in order to maximize use of resources and to provide cohesion and continuity to an array of activities with similar or identical goals and objectives.

The focus of training for NGO's (as with all training elements of this project) is on institutional change and the need to identify and analyze institutional needs in order to affect such change. This is in contrast to training for specific project activity to improve conditions at the local level. The objective here is to use the NGO as a base to create opportunities for institutional change and integrated planning for more effective delivery of services.

Training in policy analysis and dialogue will bring together officials and managers from the NGO community and the GOG to support the training in program development and to create opportunities for institutional change. Key objectives of this training will be the analysis of current policies affecting different sectors, identifying strengths and weaknesses, establishing a high-level dialogue for removing constraints to development, and on instituting new policy programs and projects as a result of dialogue. Project outcomes will not be confined to demonstrated skills and activities in policy analyses and dialogue, but will focus on the creation of new programs and on institutional changes resulting from training.

This is particularly important for the GOG and its various ministries and agencies. For example, government and NGO officials may reach accord on the need for new activities and establish new policies to meet specific objectives arising from policy dialogue; or, several NGO's operating complementary programs on projects may establish new

programs or expand and improve the delivery of basic services through cooperative program development.

The outcome of this training is likely to be of significant impact because the trainees will be in relatively high positions with the authority or the ability to influence authority on needed changes. Thus, selection of candidates for training element must meet one of the major requirements for this project which is high or relatively high professional standing. It is anticipated that key NGO leaders who are trained for affecting policy dialogue and institutional change will have significant impact in the design and coordination of NGO projects along with GOG policy and programs.

Significant work has been done in preparing for this component, including convoking a NGO conference for severalhundred Guatemalan NGOs. A needs assessment (refer to Mission bulk files) was also carried out to determine the interest in and to identify the specific kinds of training required to improve administration, management and programming of NGO activities. This component is ready for immediate implementation.

Element Cost AID

- In-country training  
250 trainees at \$350 per trainee - \$87,500
- U.S./Third Country training  
25 trainees at \$2,000 per trainee - \$50,000

Total: \$137,500

Potential institutional involvement:  
PACT, PADF, Peace Corps, ASINDES

d. Other Programs

As this project is primarily concerned with training high level officials, managers and executives in leadership, policy dialogue and institution building, it opens various possibilities for additional training which may surface as a result of the original training activity or as conditions change in the country. It is difficult to predict the types of training programs which may emerge from policy dialogue and analysis.

Part of the problem lies in the lack of communication between the GOG and the private sector, the rising levels of frustration on both sides and the dearth of

clearly defined objectives and plans from either sector to resolve differences and issues or to establish workable solutions. There still exist major areas of disagreement on utility rates, tax legislation, fiscal policy, wages, unemployment, interest rates and other economic and social issues.

The purpose of this "other program" category is to set aside funding to be used for training initiatives (including seminars, workshops, conferences) on improving the capability of the private sector to address institutional change and influence or advocate policy development through private sector organizations, associations or entities which can act effectively on behalf of the private sector.

One such area, recently identified as a particular concern by the Mission and the private sector is vocational skills training. Not enough work has been done in this area to identify a full sub-component at this point; however, additional studies and discussion may lead to the inclusion of this area as a discrete sub-component of this project. If included, this activity would recruit trainees who could have an impact on the responsiveness of private and public vocational training institutions to the needs of the productive private sector. Because of the potential magnitude of this sub-component, additional funding would be required if anything more than exploratory activities were to be funded under this project.

Another similar area, but more advanced in terms of development, is training for the tourism sector. The private sector is interested in working on a cost-sharing basis with USAID/G to fund training for managers and administrators. A tourism training needs assessment was commissioned by USAID/G and the U.S. Ambassador, the USAID/G and ROCAP Directors and several technical level people have met over time with representatives of this sector to discuss the sector's growth and its needs for training. A recent meeting by the USAID/G Director with Guatemala's Chamber of Tourism led to a preliminary agreement on training needs, cost sharing options and programmatic directions which now permit serious consideration for inclusion of this sector as a sub-component of the project.

The primary focus of training provided under this component should not be for development of skills such as merchandising, marketing and export promotion; rather, the objective is to identify critical areas where the private sector (particularly through national organizations but also individually as well through major industries) can provide a

workable forum for exchange of dialogue with the GOG on policy and agendas or where carefully selected training can lead to breakthroughs in key sectors.

Element Cost AID

- In-country training  
150 trainees at \$425 per trainee - \$63,750
- U.S./Third Country training  
25 trainees at \$2,000 per trainee - 50,000

TOTAL: \$113,750

Potential Institutional Involvement:  
To be determined based on future study.

2. Component 2: Improve Public Sector Policy and Program Analysis

The training under this component will include leadership training and institution building, especially for improved technical capability to support policy and program analysis, particularly with regard to needed change at administrative levels. There are four training sub-elements which include:

- (A) Financial management training;
- (B) Civil service training;
- (C) Statistical training, and
- (D) Other programs

As with other training to be provided under this project, the emphasis will be on selecting trainees who are in influential positions and who are most likely to bring about change in such areas as statistical capability, national survey and data collection, financial management and improved functioning of the GOG in technical areas critical to planning, policy formulation and program development.

a. Financial Management Training

Financial management is an essential component of the planning process and a key factor for the effective use of national resources. It is also important to AID to insure that funds provided to host country institutions are used efficiently and for the purpose which the Mission intended. It is commonly recognized that the lack of fiscal administrative capacity is a significant obstacle to social and economic development.

In Guatemala, there is a need for strengthening the public sector financial management systems in order to improve the GOG capability for more effective national planning. This training element is intended to provide technical training to auditors and financial managers (auditing skills, accounting, information systems) in the GOG's Controller General's Office in financial management. The majority of the recipients for this training will be mid- and lower-level personnel; however, limited training for high-level officials of the CG will also be provided. The high level training will focus on the needs for institutional and systems change in the GOG as they relate to financial management, including for example, the evaluation of the utilization of resources through effective and efficient audits; application of improved budgeting and forecasting; and finally, the integration of revenue projections and tax planning into the budgeting and expenditure systems.

The training in this sub-component will complement the training to be provided under the proposed LAC Regional Project but it differs significantly in that it will be designed to provide GOG Officials within the Controller General's Office with tools for decision making to institutionalize improved financial systems and planning processes. This training will also seek to incorporate techniques for developing accurate financial forecasting and improved planning and utilization of resources for development.

Training will take place primarily in Guatemala to large groups of trainees. Course content will be developed by the U.S. training institution selected to provide the U.S. portion of the training. Course content will focus on local conditions and special identified needs as brought out by the training needs assessment to be financed under the LAC Regional Fiscal Administration Project. Follow-on training will also be conducted in Guatemala by the returnees with assistance, where appropriate, from the U.S. training source.

The need for institutional reform for more effective planning and development should not be underestimated. Improved practices will contribute to better financial management and will increase the effectiveness of the Office of the Controller General. The major outcomes expected from this specific type of training cover both technical improvement and policy advancement. Basically, the training provided under this sub-element will:

- (1) Improve basic skills in the office of the Controller General which will allow for improved auditing and review of GOG financial activities;

- (2) Develop improved financial management training in Guatemala which will be responsive to the special needs of the GOG, and specifically the Controller General;
- (3) Assist in upgrading financial management systems and institutionalize such systems in the Office of the Controller General .
- (4) Increase awareness at senior levels of the Office of the Controller General of the broader relationships of their organizational responsibilities as they affect the financial management operations of the GOG.

Financial management training under this project will not duplicate the technical assistance being provided under the Fiscal Administration project nor will it duplicate the training to be provided under the proposed LAC Regional Fiscal Administration Project. Training under this Development Training and Support Project will focus primarily on mid- to lower-level technical skills development for auditors and financial managers in the Office of the Controller General. A number of meetings have been held between Mission personnel and Controller General officials. This sub-component is ready for immediate implementation.

Component cost A.I.D.

- In-country training  
150 trainees at \$600 per trainee - \$90,000
- U.S./Third Country training  
50 trainees at \$2,000 per trainee -  
\$100,000

Total: \$190,000

Potential institutional involvement:  
FIU, OMB, INCAE, INAP

b. Civil Service Training

The emphasis on policy analyses and institution building is nowhere more critical to effective and efficient functioning of government operations than in a strong and a fairly administered civil service system. It is, in effect, the essence of effective government administration since it provides for stability and continuity in policy and program matters, strengthens the decision-making capability and

establishes an objective framework for cohesive management of programs across all sectors.

A structured civil service system lessens the possibility of disruptive political interventions which weaken administrative integrity and often contribute to obstructing government operations. While uniform civil service policies and regulations are the basis for strengthening government activities, there is a corollary need for effective technical services which support the administrative process and procedures in such areas as data collection, information systems, personnel management and regulatory control.

There are two levels of training which will be addressed under this element. The first is the strengthening and improvement of civil service policy and institutional reform. The second is increasing the administrative and technical capability of the civil service system through modern management techniques and through more advanced technology. The former will involve training of officials to institute policy change and support the technical and management changes necessary for effective operations; the latter will train mid-management and potential leaders in technical areas such as personnel administration. Special training in policy analyses could focus on:

- (1) Personnel policy and civil service standards for hiring, promotion, transfer, dismissal and rights of employees, including personal and professional conduct;
- (2) Development of training programs and career ladder initiatives to upgrade civil service employees and train new employees;
- (3) Design of in-house management courses within GOG ministries and departments; and
- (4) Development of an updated civil service manual covering all personnel and administrative regulations governing federal employment.

The establishment of a trained cadre to develop civil service performance standards and concrete personnel policies cover a wide range of activities within the broad area of institution building and policy analyses. The assessment of training needs in the above areas requires a commitment by top officials to address weaknesses in the system and a training approach which is sensitive to the political realities of the current GOG system.

The second area of training focuses on improving the technical aspects of management, particularly in computerizing the GOG's manual personnel system. The director of the GOG's civil service system has already taken steps to provide training in computers to convert the present operations to an automated classification system. Recently, he met with the U.S. Civil Service Director, Ms. Constance Horner, to request assistance in training.

The GOG's Civil Service System is based entirely on the U.S. model as it was adapted in Puerto Rico; however, because of a turnover of employees who were trained in the U.S. system, there is a critical need for training new employees in addition to converting the present operation to a computerized system. The project will provide the necessary assistance to update the GOG's technical expertise and to train employees and supervisors in modernizing the classification system.

USAID/G views civil service training as an important step in improving the quality of administration and management of GOG operations through refined personnel policies and improving the delivery systems for social and economic development. This training will also enhance relationships between GOG, AID and donor agencies in planning and implementing development programs.

Some initial work has been carried out on this component. It is not ready for immediate implementation but it could be initiated during year one of the project if priority were placed on refining the initial concepts and negotiating a program with the GOG.

Component Cost AID

- In-country training  
100 trainees at \$900 per trainee - \$90,000
- U.S./Third Country training  
25 trainees at \$2,000 per trainee - \$50,000

Total: \$140,000

Potential institutional involvement:  
OPM, OMB, INAP, INCAE

c. Statistical Training

There is a critical need for statistical and econometric training in the GOG in order to effectively collect, process, analyze, interpret and publish data on key

demographic, agricultural and socioeconomic variables which are essential to policy, planning and program development. Upgrading of statistical skills is important for several reasons -- the collection of sound household survey and employment data is necessary for policy analyses and the concrete development of programs based on reliable socio-economic data; the availability of statistical information provides a basis for estimating trends and fluctuations in demographic, commercial and agro-economic variables which leads to a better allocation of resources and to improved efficiency of government operations in all sectors; and, statistical skills are particularly crucial in defining the extent of both urban and rural employment by category and by age, gender, marital status and other demographic factors.

The collection and analysis of data is extremely limited in Guatemala. For example, official employment statistics in Guatemala are currently produced by the National Statistical Institute (INE); however, the reliability of statistics on employment, unemployment and underemployment is widely questioned by data users in the private sector. Independent estimates of unemployment made by the private sector vary greatly from official government statistics released by INE. Moreover, large unexplained fluctuations in the official unemployment rate have been observed over the past several years.

These problems are not surprising in light of the methods and sources of data used by INE, the Central Bank and Unidad Sectorial de Planificación Agropecuaria y de Alimentación (USPADA) to produce estimates of key employment statistics. There is no ongoing household survey program in Guatemala--the principal source of employment statistics in most countries. A household survey collecting basic demographic data and some employment data was conducted in 1977 and an income and expenditure survey was done in 1980; but, they only covered Guatemala Department. More recently, with support from UNDP and USAID/G, INE recently completed the first national socio-economic survey (household survey) which included a module of questions on employment. These surveys, together with the 1981 census, provide the only data available for estimating key employment statistics. INE hopes to continue conducting the household survey at the regional level at regular intervals three or four times a year, using a sample of approximately 9,000 households.

Within the Ministry of Agriculture, the Unidad Sectorial de Planificación Agropecuaria y de Alimentación (USPADA) maintains an area sample frame, installed with USAID and USDA (SRS) support, and manages the National Agricultural

Information System (SNIAG). The unit undertakes occasional sample surveys in support and evaluation of sector programs; however, no information relating to household characteristics, rural and intra-household labor patterns, expenditures and income or agricultural production and marketing activities is systematically collected on an ongoing basis. The unit has extensive data processing capability including a range of statistical software packages; nevertheless, USPADA lacks sufficient personnel with the necessary econometric skills. The Ministry is in need for training to upgrade skills in conceptualizing problems and specific related data needs for its programmers, interacting with programmers during data edits, and analyzing and interpreting final results for Ministry officials. There is a serious lack of statistical and analytical personnel in these other Ministry agencies as well: Dirección General de Servicios Agrícolas (DIGESA), the Instituto de Ciencias y Tecnología Agrícola (INTA), the Banco Nacional de Desarrollo Agrícola (BANDESA) and the Instituto Nacional de Comercialización Agrícola (INDECA).

The Ministry of Labor, the other GOG agency concerned with employment statistics has practically no data collection or data processing capability. INE has made efforts to help the Ministry of Labor process what little data it does collect from administrative records. INE has also stated its desire to eventually turn over the responsibility for employment statistics to Labor; however, INE would first like to put in place an ongoing employment statistics program, realizing that Labor has practically no statistical expertise and needs time to train staff and develop this capability.

There appears to be considerable institutional momentum within the Government of Guatemala (at least in INE) toward improving current household statistics, including employment statistics. However, in view of the recent history of statistics in Guatemala and specific problems faced by INE, it is clear that INE lacks the trained staff necessary to effectively implement the plans it has made. The establishment of a national survey of 9,000 households, to be conducted three or four times a year, will require a great deal of expertise in data collection, data processing, and management of survey operations. INE's ability to coordinate work with data users also will have to be improved in order to ensure that the data produced is usable and easily accessible.

Currently, there are few opportunities available for appropriate training of INE staff. Guatemalan universities provide academic training in statistics and computer science; however, this does not equip individuals with the skills needed in the planning and conducting of statistical

programs. INE conducts a fledgling in-house training program for statistical agencies of the Government of Guatemala. This program is the only source of training in applied statistics and data processing in Guatemala.

Expected impact of training: It is expected that INE, Central Bank and USPADA staff trained under this project will, in turn, train others within their respective organizations. It is also expected that INE will train Ministry of Labor and Ministry of Agriculture staff in data collection and data processing skills, as well as in analytical interpretation analysis. The project will include pre-U.S. training in-country workshops to assist in the selection of trainees and post-U.S. training to promote follow-on training. The project will also fund some direct training of Ministry of Labor staff and possible members of the private sector in the area of labor economics and data analysis.

The project will take advantage of the training capability established at the U.S. Bureau of the Census (BUCEN) under the LAC Regional Statistics Training Center Project. This project funded the development at BUCEN of a program to provide Spanish-language training in applied statistics and data processing technology to the countries of Latin America. The program, known as the Escuela de Estadística Aplicada y Técnicas de Computación (ESAYTEC) conducts short- and medium-term training in the U.S. and overseas. If ESAYTEC is able to mount the in-country courses, can modify its standardized courses to reflect Guatemala's priorities and is cost-competitive with similar programs, it will be a prime candidate for conducting some of the statistical training under this project.

The project strategy is to promote institutional change through policy analysis and dialogue and to strengthen technical capability of mid-level technicians and professionals. Candidates selected for this project sub-component will include high level officials who can effect changes through the development of new policies and programs. The project will seek to institutionalize a more sophisticated and accurate data collection and analysis capacity within relevant Guatemalan institutions.

Significant work has been done on this element, including the development of a needs assessment of INE and the Ministry of Labor by ESAYTEC (refer to Mission bulk files). Priority training needs have been identified and this component is ready for immediate implementation.

Component cost AID

- In-country training  
150 trainees at \$600 per trainee - \$90,000
- U.S./Third Country Training  
25 trainees at \$12,000 per trainee -  
\$300,000

Total: \$390,000

Potential institutional involvement:  
BUCEN, ESAYTEC, USDOL

d. Other programs

This element of public sector training is also designed to provide a contingency category similar to that category reserved under private sector training. As indicated earlier, the emphasis on institutional change and policy dialogue presents opportunities for continued identification of training areas or subjects. New areas will be determined through policy analysis and dialogue at GOG administrative and decision-making levels and critical training needs may result from participation by the GOG in project activities.

Natural resource management and conservation of biodiversity in tropical forests are areas which have already been identified through initial discussions with the GOG. There are concerns both in the Mission and in the GOG that unchecked development in the rich, tropical forest in the Petén area could damage the ecological balance by excessive deforestation and timber cutting to clear the land for roads and commercial development. Lack of concern in Brazil, for example, resulted in massive clearing efforts which denuded thousands of acres of tropical forest.

Ecologists have predicted that in the long run, land clearing efforts for development purposes may have profound irreversible effects on the environment ranging from reduced oxygen levels to the permanent disappearance of indigenous flora and fauna. Efforts to conserve the tropical environment and conservation of biodiversity in protecting natural resources through land management and tropical forests would be major objectives in Guatemala's long term development plans. A corollary issue is the maintenance of biological diversity in concert with the natural environment to protect endangered animal species in secured habitats.

The focus on natural resources management represents a critical equation in the development process as it impacts on the vital geographical and demographic conditions of society. The lack of proper land and resource management can have negative effects on such major areas of development and survival as agricultural production (soil erosion due to deforestation) health, nutrition and diminution of natural resources. This has been amply demonstrated in other circumstances and has been recognized by AID and other international development agencies as a critical issue to address in the development process.

Substantial work has been carried out in this area. The University of Alabama and the Partners of the Americas have been working closely with San Carlos University to develop plans for preserving the natural environment of the Peten while enhancing the opportunities for planned economic development of the region. The training contemplated to accompany this package is ready for immediate implementation.

Other training projects most likely to be identified during the public/private sector dialogue will focus on the social and democratic institutions which are crucial to Guatemala's development strategy and human resources needs and which are not funded under approved AID projects. For example, women in development as an AID priority issue presents a number of challenges and opportunities to develop projects which can include women in decision-making, leadership roles and in technical and professional fields.

While this issue will be an ongoing concern and objective for all training projects, special emphasis or priorities may emerge as a result of overall project activities which can be specifically addressed through the development of unique training programs for women in development. An effort will be made to recruit women for training and to sensitize the public and private sector to the need for equality of opportunity in the workplace, and the important role women play in social and economic development. Another area of potential training in policy reform and institution building is in strengthening of democratic roles and processes.

Element Cost AID

- In-country training  
90 trainees at \$600 per trainee - \$54,000
- U.S./Third Country training  
6 trainees at \$2,000 per trainee - \$12,000

TOTAL - \$66,000

3. Component 3: Education Sector Support and Improvement

This training component is designed to support and improve education in three distinct areas of:

- (1) Special training under the Merit Scholarship and Zamorano Scholarship programs (These programs were formerly Central American Peace Scholarship Program components).
- (2) Upgrading of university faculty members from Guatemala's five universities for masters and PH.D programs in the U.S. in a complementary manner to USIS exchange activities.
- (3) Other Programs

a. Merit and Zamorano Scholarship Program

The Mission had developed several "Buy-in" components to CAPS which provided for in-country or in-region training leading to either a U.S. degree or study in the U.S.; however, due to an unexpected AID/Washington policy shift concerning "Buy-ins", these particular components had to be withdrawn from CAPS. Since these components are critical to the Mission's training strategy and cannot be easily dropped from the portfolio, they are incorporated into the Development Training and Support project.

The Merit Scholarship Program is designed to increase opportunities for academically talented but socially and economically disadvantaged Guatemalan leaders or potential leaders to attend post-secondary institutions in Guatemala. There will be certain instances when select students will complete their degree study program in the U.S.. For these special cases, the funding of the U.S. portion of the study program will be funded under the Junior Year Abroad component of the CAPS project and not under the Development Training and Support project.

The Merit Scholarship Program will further strengthen Guatemala's human resource base; facilitate the participation of the country's disadvantaged in the development process; increase their share of the benefits and contribute to a better understanding of democratic processes. This scholarship program also strengthens the ties of friendship and depth of understanding between the United States and Guatemala.

Approximately, one hundred five-year scholarships are being funded, permitting recipients to attend a Guatemalan university of choice. Under the Central American Peace Scholarships (CAPS), selection was based primarily on economic need, scholastic aptitude and achievement. The goal under CAPS was to have as many as 70 percent of the recipients from outside Guatemala City and up to 50 percent women. All fields of study are considered but preference is given to students who have career choices which are closely related to the country's development needs, in areas such as public health and nutrition, agriculture, engineering, business administration and education. This goal will continue under this project.

The particular conditions and covenants specified between AID and the Universidad del Valle de Guatemala are contained in a Memorandum of Understanding (MOU) which is presently being amended to reflect program and funding changes brought about because of the transfer to the Development Training and Support Project.

The Zamorano Scholarship program is designed to increase the opportunities for academically talented disadvantaged Guatemalans to attend the Pan American Agricultural School (PAS) in Honduras. The program supports the development of Guatemala's human resource base, facilitates the participation of the country's disadvantaged in the development process, and through the provision of U.S. support and through the U.S. training component, strengthens U.S. and Guatemalan ties of friendship and depth of understanding. The U.S. portion of training, however, is funded under the Junior Year Abroad component of the CAPS project and not under the Development Training and Support project.

USAID is providing scholarship assistance under this project for up to 70 percent of the cost per student for two groups for a total of 70 Guatemalan students to attend PAS. The first group entered PAS in January, 1988; the second group will enter in January 1989.

In addition to the scholarships, USAID is contributing an additional 15 percent of the annual cost per student, but instead of a grant, this is in the form of a loan which the student is obligated to repay to provide for a rotating loan fund. This fund will be used as a source of low cost educational loans enabling future Guatemalan students of limited economic resources to finance a portion of their education.

The specific conditions and covenants governing this program are contained in a Memorandum of Understanding (MOU) between AID and the Asociación de Graduados de la Escuela Agrícola Panamericana de Guatemala (AGEAP). This MOU is presently being amended to reflect program and funding changes brought about by the transfer of this program into the Development Training and Support Project.

Element Cost AID

|   |                     |               |
|---|---------------------|---------------|
| - | Long-term training  |               |
|   | In-Country          | - \$ 916,000  |
|   | Third-Country       | - \$2,218,000 |
| - | Short-term training |               |
|   | In-Country          | - 106,000     |
|   | U.S.                | - 280,000     |
|   | Total cost          | \$3,520,000   |

b. University Faculty Improvement

The training for university faculty is designed to strengthen higher education as both a source and a catalyst for institutional change. The university system plays a major role in the preparation of citizens for technical and professional employment, and is also a fertile ground for the generation and shaping of ideas, attitudes, perceptions and behavioral change. Higher education is also an important aspect of the development process in terms of providing advanced training skills in the key areas of science and technology in order to address key Guatemalan development issues and apply modern methods and techniques to the solution of developmental problems.

The investment in faculty and the upgrading of university programs can produce a multiplier effect, which transfers the impact of education and training beyond its intended scope by reaching an unlimited number of students and other faculty.

Strengthening of universities is a strategy for developing a critical mass of trained professionals and providing a national resource for social and economic development. The capability of a country to provide sound educational programs in the sciences and humanities can contribute immeasurably to the development of leaders with planning, management and technical skills to influence the development process.

This program will seek, wherever possible, to strengthen the institutional linkages already developed between Guatemala's higher educational system and the U.S. system. Both USAID/G and USIS have active university linkage and affiliation programs which can be supported by this training effort. These linkage activities and others which the universities have developed independently of U.S. Government support will be strengthened on a priority basis by the Development Training and Support project.

In general, assistance and resources will focus on Guatemala's higher education system with a particular emphasis on the individual institutional needs of each university. The project will support the enhancement of the university sector by training twenty-four MA's to be selected from junior faculty and ten PH.D's to be selected in fields determined through an assessment of need.

Each university will have certain priorities, but it is important that the selection of individuals for training not be reduced to a laundry list on one extreme or be set aside for pet projects of the university administration on the other. Fields of study will concentrate on the most critical development needs currently facing Guatemala. Moreover, academic fields will not be selected where AID or other donor agencies are providing adequate support and funding.

Disciplines where training would result in outstanding programs which could internally satisfy educational needs and requirements, replacing the necessity for U.S. or Third Country training are preferred. Institutionalizing academic programs which need strengthening or developing will be a key aspect of the project. All thesis or dissertation research must take place in Guatemala and address Guatemalan problems. As with all programs funded under this training program, recipients of training assistance must agree to return to Guatemala and work in their host institution for twice the period of off-shore training.

The selection of candidates for training should be based on the general criteria of academic excellence. However, it is important to select individuals who have leadership (and administrative skills) to effectively build on the MA or PH.D training and to contribute to the growth and respectability of particular academic fields chosen for study. Administrators might be selected for training in order to address institutional issues and problems including admissions policy, testing, curriculum, materials and equipment, budgeting, credit transfer issues and standards for student eligibility and retention.

This component requires additional coordination work with the five Guatemala universities prior to its implementation.

Element Cost A.I.D.

In-country seminars

MA/MS -- 60 trainees at \$600 per trainee -  
\$36,000

PhD -- 30 trainees at \$850 per trainee -  
\$25,000

MA/MS - U.S.

24 trainees at \$15,000 per trainee - \$360,000

Ph.D - U.S.

10 trainees at \$30,000 per trainee - \$300,000

TOTAL \$721,500

c. Other Programs

The purpose of this "other program" sub-component is to set aside funding for potential training initiatives to support and improve education. Under this category, special training could be provided to improve the quality of English language teaching in Guatemala and/or to support the expansion of English language programs to new people and areas not covered under current programs. Substantial discussions have been held in this area and two English language assessments have been carried out in Guatemala recently (these assessments may be located in the USAID/G bulk files). This element is ready for immediate implementation if a decision is made to include it as a project sub-component.

Element Cost AID

-- In-Country training  
90 trainees at \$600 per trainee - \$54,000

-- U.S./Third-Country training  
6 trainees at \$2,000 per trainee - \$12,000

TOTAL - \$66,000

4. Component 4: Training Outreach and Support

This component, which is more directly involved with monitoring and support than it is with training, will design and test a unique and innovative approach for reaching

out to Guatemala students who are studying in the U.S. This approach will support the efforts of FUNDESA (Fundación de Desarrollo de Guatemala), a Guatemalan private organization whose program "Youth for Guatemala" serves Guatemalan students abroad by maintaining cultural, social and professional ties with Guatemala and by encouraging their return to Guatemala upon completion of studies.

This reflects an important concern both to USAID/G and to Guatemala. While "brain-drain" is not a serious problem with U.S. Government sponsored trainees, it is a significant problem with self-funded and other-funded students. Needed development-related expertise and skills which individuals gain through study abroad, if available to Guatemala in a prompt and effective fashion, can have a real impact on social, economic and political development. Often, Guatemalans who receive training in the U.S. are tempted to remain, feeling that their skills cannot be effectively utilized at home. Long-term training exacerbates this problem by the prolonged separation which it requires, weakening ties to the trainee's home country.

a. Youth for Guatemala

Privately-funded trainees and others who return from study abroad often do not receive assistance in productively reintegrating themselves into national life. It is possible that a returned trainee may contribute little more than a non-returnee if his/her reintegration is ineffective. These concerns have been expressed by USAID/Guatemala and by "Youth for Guatemala" Program with regard to Guatemalan students in general, and in particular, to self-sponsored Guatemalan students who are studying in the U.S. While the program has established contact with some Guatemala nationals currently studying in the U.S. in order to assist them in staying in touch with developments at home and to assist their reintegration into the Guatemalan economy and society upon return, it has experienced difficulties in identifying and contacting the vast majority of Guatemalans studying in the U.S.

USAID/G will contract with an organization experienced in this field that can identify Guatemalan students and/or universities where they are enrolled; or that already has a roster of these students. Depending on the success of this program, it is possible that this component may expand and include student services such as:

-- News clipping service to keep students up to date on home country developments;

- Newsletter containing useful information from home together with coverage of people and events within the community of nationals studying in the U.S.;
- Home country job listing service to enable students to review job prospects prior to their return home;
- An active job referral or matching service through which Guatemalan firms match students completing foreign study with employers who seek their expertise;
- Home country summer internship program, in which Guatemala firms place students studying abroad in appropriate local job internships;
- Organization of a U.S. association of Guatemalan students, including periodic meetings, workshops on home country employment or other subjects, pre-return seminars, a newsletter, clipping service, etc.;
- An alumni program for returnees from U.S. study, which could include a speaker's program, social activities, English refresher courses, or involvement in pre-departure orientation of new students going to the U.S. to study, among other options; and
- Research program oriented toward foreign study issues including surveys of nationals studying in the U.S., and sharing of findings with them.

Technical assistance and expertise will be provided to FUNDESA to enable it to improve and sustain effectively the outreach activities it has already initiated. As a pilot activity, USAID/G sees considerable merit in testing this innovative approach to monitoring as follow-up to Guatemalans immediately after their U.S. training and assisting them to find employment in the public and private sectors. This will contribute substantially to more rapid social and economic development. This is an activity that can be funded immediately upon authorization of the project.

Component Cost AID

In-country training:  
8 persons at \$1,600

U.S./Third-Country training:  
- 4 persons at \$8,000

Other costs - \$40,400

TOTAL: \$50,000

Summary of Training Schedule:

Tables I and II indicate the numbers of trainees scheduled for off-shore and in-country training by training element and project year.

TABLE I

SCHEDULE FOR DT&S OFF-SHORE TRAINING  
BY PROJECT COMPONENT AND PROJECT YEAR

| <u>Project Component/Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>TOTAL</u> |
|-------------------------------|----------|----------|----------|----------|----------|--------------|
| Industrial Relations          | 10       | 10       | 10       | 10       | 10       | 50           |
| Dialogue                      | 6        | 6        | --       | --       | --       | 12           |
| NGO                           | 5        | 5        | 5        | 5        | 5        | 25           |
| Financial Management          | 4        | 4        | --       | --       | --       | 8            |
| Civil Service                 | --       | 5        | 10       | 5        | 5        | 25           |
| Statistics                    | 5        | 5        | 5        | 5        | 5        | 25           |
| Zamorano Scholars             | --       | --       | --       | 35       | 35       | 70           |
| MS                            | --       | 8        | 8        | 8        | --       | 24           |
| PHD                           | --       | 5        | 5        | --       | --       | 10           |
| Outreach                      | 4        | --       | --       | --       | --       | 4            |

TABLE II

SCHEDULE FOR DT&S IN-COUNTRY TRAINING  
BY PROJECT COMPONENT AND PROJECT YEAR

| <u>Project Components/Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>TOTAL</u> |
|--------------------------------|----------|----------|----------|----------|----------|--------------|
| Industrial Relations           | 30       | 30       | 30       | 30       | 30       | 150          |
| Dialogue                       | 30       | 30       | --       | --       | --       | 60           |
| NGO                            | 50       | 50       | 50       | 50       | 50       | 250          |
| Financial Management           | 150      | 150      | 150      | 150      | 150      | 750          |
| Civil Service                  | 20       | 20       | 20       | 20       | 20       | 100          |
| Statistics                     | 30       | 30       | 30       | 30       | 30       | 150          |
| Merit                          | 50       | 50       | --       | --       | --       | 100          |
| Zamorano                       | 35       | 35       | --       | --       | --       | 70           |
| MS                             | --       | 20       | 20       | 20       | --       | 60           |
| PHD                            | --       | 15       | 15       | --       | --       | 30           |
| Outreach                       | 8        |          |          |          |          | 8            |

### E. Summary Budget and Financial Plan

Tables III and IV below present the Summary Budget and Financial Plan, and the Summary Expenditures by Fiscal Year, respectively.

There are no significant financial issues. The budget has been developed in a conservative manner and implementation will be carried out by Direct AID methods. This section also contains a summary of the methods of implementation and financing.

Since training activities identified in the project are somewhat illustrative, actual training in each component may vary. The budget has been calculated using the highest costs likely. The average person month cost for new training contemplated under this project is \$1,100 for in-country, exclusive of \$2,184 for U.S. and \$1,669 overall. These figures demonstrate the cost containment approach of the Mission. It is anticipated that final costs will be less than projected, especially for in-country training, and therefore allow for more training than is currently programmed. A source and origin waiver under AID geographic code 941 has been granted for the procurement of training services up to the amount of \$300,000. All other procurement of goods and services will have their source and origin in the U.S. AID geographic code 000, the cooperating country or other countries included in the Central American Common Market.

## IV. SUMMARIES OF PROJECT ANALYSIS

### A. Technical analysis

Training under this project is designed to strengthen Guatemalan institutions in the public and private sectors, establish a forum for policy dialogue between them and to train and support future and current sector leaders. This project is distinguished from other similar general development training projects in the following dimensions:

1. It seeks to recruit Guatemalan leaders for training who are able to influence and effect institutional change;
2. It is designed to bring together leaders and officials from government, business and labor to establish a functional forum for addressing socio-economic problems and constraints and to

SUMMARY BUDGET AND FINANCIAL PLAN  
(\$000)

TABLE III

| COMPONENTS                              | U.S.A.I.D. |      | TOTAL<br>U.S.A.I.D | COURTEPART |       | TOTAL |
|---|------------|------|--------------------|------------|-------|-------|
|   | \$         | LC   |                    | EC         | OTHER |       |
| In Country Training (excl. CAPS Compl.) | 654        | 150  | 804                | 867        | 211   | 1882  |
| US Training (excl. CAPS Compl.)         | 1402       |      | 1402               | 221        | 741   | 2363  |
| CAPS Complement -                       |            |      |                    |            |       |       |
| Merit                                   |            | 966  | 966                |            | 241   | 1207  |
| Zamorano                                | 280        | 2274 | 2554               |            | 639   | 3193  |
| Training Outreach                       | 30         | 20   | 50                 |            |       | 50    |
| Evaluation and Audit                    | 200        | 50   | 250                |            |       | 250   |
| Implementation Unit                     | 701        | 249  | 950                |            |       | 950   |
| Inflation                               | 188        | 40   | 228                |            |       | 228   |
| Contingency                             | 596        | 200  | 796                |            |       | 796   |
|   | 4051       | 3949 | 8000               | 1088       | 1831  | 10920 |

SUMMARY EXPENDITURES BY FY  
(\$000)

TABLE IV

| FISCAL YEAR  | AID         | EC          | OTHER       | TOTAL        |
|--------------|-------------|-------------|-------------|--------------|
| 1989         | 1662        | 217         | 241         | 2121         |
| 1990         | 1950        | 239         | 426         | 2615         |
| 1991         | 1600        | 219         | 403         | 2222         |
| 1992         | 1094        | 216         | 410         | 1720         |
| 1993         | 670         | 197         | 351         | 1218         |
| Inflation    | 228         |             |             | 228          |
| Contingency  | 796         |             |             | 796          |
| <b>TOTAL</b> | <b>8000</b> | <b>1095</b> | <b>1831</b> | <b>10920</b> |

further establish a process for continuing dialogue to resolve differences and issues germane to Guatemala's social and economic development;

3. It establishes a solid relationship between the U.S. Mission and the trainees during recruitment, selection, training and follow-on activities by establishing close USAID/G oversight of the project in a meaningful way;
4. It directly involves U.S. training institutions in joint design of curriculum and course content with beneficiary institutions.

The project components and elements were selected by USAID/G in consultation with key Guatemalan private and public sector institutions, USIS and other elements of the U.S. Embassy in Guatemala. The four components and twelve sub-components or elements represent activities where specific requests for training or related activities have already been received by USAID/G and for which some initial studies have been conducted to determine need and commitment to undertake and support the activities on the part of the recipient institutions.

The importance of the selected sub-component areas to the achievement of overall U.S. goals and objectives in Guatemala and their relevance to Guatemalan goals and objectives have also been examined. The four components and twelve sub-components were selected from a list of many more as being key areas deserving U.S. support. The various components and elements complement one another and also directly support on-going and planned projects and activities of USAID/G, USIS and other USG agencies and institutions.

The following sub-components are ready for immediate implementation:

- 1) Industrial Relations: USIS has implemented a series of activities such as AmPart visits in the labor field and WorldNet presentations about labor/management issues to stimulate interest in and help define the areas where labor training can be most useful in promoting understanding and professionalization in these sectors.
- 2) NGO Capability Enhancement: Significant work has been done in preparing for this component, including convoking a NGO conference for several hundreds of Guatemalan NGOs. A needs assessment

was also carried out to determine the interest in and to identify the specific kinds of training required to improve administration, management and programming of NGO activities.

- 3) Financial Management Training: A number of meetings have been held between Mission personnel and GOG financial management officials. A ROCAP program under CAPS has also provided an initial needs assessment in this area and has provided training to key staff.
- 4) Statistical training: A needs assessment of the National Statistics Institute (INE) and the Ministry of Labor was conducted by the Escuela de Estadística Aplicada y Técnicas de Computación (ESAYTEC) in which priority training needs have been identified.
- 5) The Merit Scholarship and Zamorano Scholarship Programs: These programs have been incorporated into this project from the CAPS project; therefore, operations for this component have already been established and are running effectively.

An important concern to both USAID/G and to Guatemala is "brain-drain". While it is not a serious problem with U.S. Government sponsored trainees, it is a significant problem with privately-funded students. Needed development-related expertise and skills which individuals gain through study abroad, if available to Guatemala in a prompt and effective fashion, can have a real impact on social, economic and political development. The importance of having well-trained, mid-level professionals return to their country to apply the skills they have just learned to actively participate in Guatemala's socio-economic development cannot be stressed enough.

By supporting the efforts of FUNDESA, a Guatemalan private organization whose "Youth for Guatemala" program serves Guatemalans studying abroad, it is expected that the USAID objective of an increased number of long-term trainees returning to Guatemala upon completion of their studies will be realized. FUNDESA's objective of maintaining cultural, social and professional ties with Guatemalans studying abroad and encouraging their return to Guatemala upon completion of studies reflects USAID/G's concern that often students receiving training in the United States are tempted to remain, feeling that their newly-acquired skills cannot be effectively utilized at home.

The technical assistance and expertise that will be provided to FUNDESA through this project will enable the organization to improve and sustain effectively the outreach activities it has already initiated, plus it will assist the "Youth for Guatemala" Program in designing approaches for monitoring, follow-up and reintegrating returned students into the Guatemalan economy and society. This activity can also begin immediately upon project authorization.

#### B. Socio-Economic Analysis

The quantification of the social and economic benefits of the project are difficult at best. The anticipated benefits will be realized over the longer term, as new techniques and ideas diffuse throughout the Guatemalan society. The project itself will act as a catalyst for institutional and policy changes through the specific training and support activities described in Section III, detailed project description.

The direct beneficiaries of the project are the trainees themselves. The focus on developing a cadre of leaders and skilled technical and managerial personnel will limit the possibilities of benefiting directly lower socio-economic groups. Moreover, due to the paucity of women in high policy making positions, more emphasis will be placed on training women in the technical and managerial levels. While the project has targeted 40 percent women overall, the distribution is unlikely to be even across all training fields.

To improve the rate of diffusion of benefits in Guatemala, the project has built into it several mechanisms designed to multiply the direct benefits to trainees themselves. First, trainees will be selected for their potential not only to fulfill leadership positions, but also to train others upon their reintegration into their institutions. An example of this is training university faculty who will have a high multiplier effect as new skills and ideas are integrated into the classroom. To a lesser extent, but nonetheless important, all trainees will be required to provide some in-house training or dissemination of new skills and knowledge acquired under the project.

Second, trainees will be requested to outline specific changes they expect to make in their institutions as a result of the training received under the project. Follow-up by the training supplier will be required under the project as an added incentive for trainees to carry out these actions. Third, assistance will be provided to increase the probability that long-term trainees from Guatemala will return to

contribute to Guatemala's social and economic development. By targeting both U.S. sponsored and privately sponsored Guatemalans studying in the United States, these efforts will contribute significantly to project purpose achievement.

The focus of the training activities is the best indicator of the potential economic benefits to Guatemala. The project will attempt to improve the relationship between the public and private sectors, between labor and management as well as to increase awareness of social and economic development issues. Furthermore, the project will improve the skills required to undertake the planning and implementation of projects and programs to improve social and economic conditions. Thus, the project will contribute to both economic and political stability and improve the conditions for future economic growth.

Long-term results of this project may include improved labor productivity and income, higher levels of private sector capital investment and improved planning and implementation of development projects. Although difficult to quantify and specify with regard to immediate project impacts on specific groups, training and human resource development activities are essential to build the economic, political and social institutions which will improve the quality of Guatemalan lives, and extend the benefits of economic growth to broad segments of society.

### C. Financial Analysis

#### 1. Institutional/Administrative Analysis

With the exception of the Merit and Zamorano Scholarship Programs, this project will be implemented by a personal services contractor supported by minimal Guatemalan staff, all to be contracted directly by AID. The Training Outreach and Support component will operate under a separate management contract utilizing appropriate procurement instruments. No funds will be channelled through the GOG or other local participating organizations. The implementing institution will handle funds only for contract operating expenses, not for training activities. Most training activities will be funded through the standard PIO/P process. This includes in-country training which will be carried out by a U.S. training institution. Any training carried out by Guatemalan training institutions will be done under direct Purchase Order issued by AID; therefore, no institutional or administrative analysis is appropriate at this time. After selection but prior to award of the contract to the implementing contractors, the Controller's office will arrange

for a pre-award survey of the administrative and financial capability of such contractors.

The Merit and Zamorano Scholarship Programs will be carried out as continuations of existing Memorandums of Understanding (MOU) between USAID and the Pan American Agricultural School (Zamorano), and the Universidad del Valle de Guatemala, respectively. Presently the MOU's are being amended to reflect the changes in funding and implementation brought about by the transfer to the Development Training and Support Project. At the time the Agreements were entered into (September, 1987), appropriate determinations were made as to the administrative and financial capability of the institutions. Those determinations continue to be valid.

## 2. Alternatives Considered

Throughout the design of the project the intent has been to identify the most cost effective and efficient/appropriate implementation and training mechanisms consistent with the objectives of obtaining the high quality training necessary for the senior level trainees in the program.

After considering such traditional alternatives as a single U.S. institutional contractor (too expensive and not appropriate for the diverse training needs), or individual ad hoc PIO/Ps (also too expensive and loss of continuity and inability to tailor to Guatemala's needs), the design team concluded that a participative arrangement with selected institutions will prove most cost effective and allow for specific tailoring of courses.

Preliminary discussions between the Mission and several U.S. institutions have indicated a willingness to participate in a cost sharing program where the institution, in anticipation of a long-term training arrangement for both U.S. and in-country programs, would provide curriculum development, institutional needs assessments, and participate in participant selection. The project would primarily pay for actual training conducted, either in Guatemala or in the US. This type of long-term arrangement appears to be both cost effective and efficient, especially because of the long-term relationships established between trainees, their local institutions and the US training institution.

The other major cost item is the management or implementing mechanism necessary to carry out this diverse training activity. Management workload within the USAID precludes the assignment of this responsibility exclusively to Mission staff. Because of the high level nature of the trainees and the training, the Mission will have a close

monitoring role and wishes to assure that Mission (U.S. Government) linkage remains strong. Consideration was given to three different alternatives, (1) a U.S. Institutional Contractor, (2) a Guatemalan Institutional Contractor, or (3) a personal services contractor supported by Guatemalan staff.

From a pure cost-effectiveness perspective, alternative (2) would be the cheapest; however, two factors weighed heavily in the decision to choose the third alternative, which is still significantly less expensive than the use of a U.S. Contractor. The most important factor is the need to assure that the trainees perceive their training as coming from the U.S. Government. The second factor is the need to assure, to the extent possible, that the selection of trainees is done without outside pressure and in accordance with identified selection criteria. This can best be done with the mechanism most closely tied to the Mission, the PSC. The project design committee decided that the least cost method would not provide for the optimum use of resources in accordance with project objectives, and opted for the PSC. If, however it is found that occasional additional logistical support is required in order to carry out project activities, an IQC arrangement for logistical support will be utilized, and adjustments to the budget will be made to reflect the added cost.

### 3. Budget Calculations

#### a. Implementing Unit

As discussed above, the implementing unit has been budgeted on the basis of selection of a personal services contractor with minimal Guatemalan staff. Table V shows the total budget calculation for the operation by Fiscal Years. Initial year funding has been provided for nine months due to normal advertising and contracting lead times, with full staff funding for the remainder of the project life. Funds have been provided for setting up a separate office operation. Thus items of direct costs such as rents, utilities, and furniture and equipment are included.

#### b. Training

Table VI is a calculation of the training costs based on the estimated number of training session and trainees under each project component. Costs have been calculated for both in-country and US training. This table excludes the residual amounts transferred into this project under the original agreements with the University del Valle, MERIT, and the Pan American Agricultural School, Zamorano. Additional short-term seminars for the MERIT and Zamorano

students are included. A summary of total training costs is shown below:

|                     |                  |
|---------------------|------------------|
| In-country training | \$ 909,750       |
| US training         | 1,682,000        |
| Balance of MERIT    | 915,983          |
| Balance of Zamorano | <u>2,218,170</u> |
|                     | \$5,725,903      |

In-country training costs have been calculated in accordance with Table VII. Costs have been based on two U.S. instructors conducting the courses in Guatemala, and have been broken down into costs per student, depending on the number of trainees in the course. Because of the more basic nature of the financial management training, and the availability of this type of training in country, four out of each five courses are expected to be carried out through local training institutions. The initial courses will be carried out by U.S. training institutions working with a local training institution. Obviously, the more students the increased cost effectiveness of the training -- this must be offset by the objectives of the training.

The project paper indicates that some training, excluding Financial Management which is discussed above, is likely to be conducted in-country using local institutions rather than the US trainer mode -- if this type of training does in fact take place, it will result in a significant cost savings. Since at this time it is impossible to estimate the extent of such training, the budget has been prepared using the more conservative (costly) training method. Any savings through the use of local organizations would be translated into increased funding availability and increased numbers and person months of training carried out under the project.

U.S. and Third-Country training has been calculated using the best current estimates of costs for U.S. and Third-Country short-term and degree training. The following chart summarizes the U.S. and Third-Country training elements by length of training, percentage of trainees and cost of training:

| <u>Length of Training</u> | <u>No. of Trainees</u> | <u>% of Total Trainees</u> | <u>Cost (\$000)</u> |
|---------------------------|------------------------|----------------------------|---------------------|
| Two Weeks                 | 137                    | 38                         | \$274               |
| Three Weeks               | 8                      | 2                          | 24                  |
| One Month                 | 70                     | 20                         | 280                 |
| Three Months              | 37                     | 10                         | 444                 |
| 12 Months                 | 24                     | 7                          | 360                 |
| 24 Months                 | 10                     | 3                          | 300                 |
| 36 Months (Zamorano)      | <u>70</u>              | <u>20</u>                  | <u>2,218</u>        |
| TOTAL                     | 356                    | 100%                       | \$3,900             |

DEVELOPMENT TRAINING AND SUPPORT

TABLE V

IMPLEMENTATION UNIT  
PROJECTED EXPENDITURES  
BY FISCAL YEAR

| DESCRIPTION                   | 1989    |       | 1990    |       | 1991    |       | 1992    |       | 1993    |       | TOTAL   |        |
|-------------------------------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|--------|
|                               | DOLLARS | L/C    |
| Personal Service Contractor   |         |       |         |       |         |       |         |       |         |       |         |        |
| Salary                        | 52500   |       | 70000   |       | 70000   |       | 70000   |       | 70000   |       | 312500  | 0      |
| Post Differential             | 7875    |       | 10500   |       | 10500   |       | 10500   |       | 10500   |       | 49875   | 0      |
| Housing                       | 9000    |       | 15500   |       | 15500   |       | 15500   |       | 15500   |       | 71000   | 0      |
| Education Allowance           | 3250    |       | 6500    |       | 6500    |       | 6500    |       | 6500    |       | 29250   | 0      |
| Travel -                      |         |       |         |       |         |       |         |       |         |       |         |        |
| Post Assignment               | 20000   |       |         |       |         |       |         |       |         |       | 20000   | 0      |
| Home Leave                    |         |       |         |       | 10000   |       |         |       |         |       | 10000   | 0      |
| A & R                         |         |       | 2000    |       |         |       | 2000    |       | 2000    |       | 6000    | 0      |
| End of Tour                   |         |       |         |       |         |       |         |       | 20000   |       | 20000   | 0      |
| Emergency                     |         |       | 2000    |       |         |       | 2000    |       |         |       | 4000    | 0      |
| In country                    |         | 1000  |         | 1000  |         | 1000  |         | 1000  |         | 1000  | 1000    | 4000   |
| Employer FICA                 | 3455    |       | 4000    |       | 4500    |       | 5000    |       | 5500    |       | 22455   | 0      |
| Miscellaneous Expenses        | 1000    |       | 1000    |       | 1000    |       | 1000    |       | 1000    |       | 5000    | 0      |
| Household Furniture           | 35022   |       |         |       |         |       |         |       |         |       | 35022   | 0      |
| TOTAL                         | 132102  | 1000  | 111500  | 1000  | 116000  | 1000  | 112500  | 1000  | 131000  | 1000  | 508102  | 4000   |
| Local Support Costs           |         |       |         |       |         |       |         |       |         |       |         |        |
| Main Assist/Training Assist.  |         | 7500  |         | 10000 |         | 10000 |         | 10000 |         | 10000 | 0       | 47500  |
| Secretary                     |         | 3750  |         | 5000  |         | 5000  |         | 5000  |         | 5000  | 0       | 23750  |
| Benefits (25%)                |         | 3150  |         | 4200  |         | 4200  |         | 4200  |         | 4200  | 0       | 19950  |
| Rents and Utilities           |         | 3000  |         | 4000  |         | 4000  |         | 4000  |         | 4000  | 0       | 19000  |
| Vehicle                       |         | 20000 |         |       |         |       |         |       |         |       | 0       | 20000  |
| Furniture and Equipment       |         | 30000 |         | 1000  |         | 2000  |         | 1000  |         |       | 0       | 34000  |
| Other Direct Expenses         |         | 8000  |         | 8000  |         | 8000  |         | 8000  |         | 8000  | 0       | 40000  |
| TOTAL                         | 0       | 75100 | 0       | 32200 | 0       | 33200 | 0       | 32200 | 0       | 31200 | 0       | 204200 |
| Relocation Exp                |         |       | 8920    | 2656  | 10195   | 2955  | 10469   | 3096  | 13202   | 3245  | 42915   | 11954  |
| Contingency 10%               | 13210   | 7540  | 11150   | 3220  | 11600   | 3320  | 11250   | 3220  | 13100   | 3120  | 60510   | 20420  |
| GRAND TOTAL                   | 145312  | 82940 | 131570  | 39076 | 139995  | 40475 | 134248  | 39518 | 157302  | 38565 | 709426  | 240574 |
| TOTAL IMPLEMENTING UNIT COSTS |         |       |         |       |         |       |         |       |         |       | 950000  |        |

Development Training and Support  
Analysis of Training Costs

TABLE VI

| DESCRIPTION                          | INDUST.<br>RELAT. | PRIV.<br>SECT. | GOV    | OTHER  | FIN.<br>MGT. | CIVIL<br>SVC. | STAT   | OTHER | MERIT | ZAM.   | Other | MS     | PHD    | TOTAL   |
|--------------------------------------|-------------------|----------------|--------|--------|--------------|---------------|--------|-------|-------|--------|-------|--------|--------|---------|
| <b>IN-COUNTRY TRAINING</b>           |                   |                |        |        |              |               |        |       |       |        |       |        |        |         |
| Number of Seminars                   | 5                 | 2              | 5      | 5      | 15           | 5             | 5      | 3     | 4     | 4      | 3     | 3      | 2      | 61      |
| Trainees per Seminar                 | 30                | 30             | 50     | 30     | 50           | 20            | 30     | 30    | 100   | 70     | 30    | 20     | 15     |         |
| Total trainees                       | 150               | 60             | 250    | 150    | 750          | 100           | 150    | 90    | 400   | 280    | 90    | 60     | 30     | 2560    |
| Average length of training           | 2 wks             | 1 wk           | 2 wks  | 1 wk   | 6 wks        | 2 wks         | 2 wks  | 2 wks | 1 wk  | 1 wk   | 2 wks | 1 wk   | 1 wk   |         |
| Total Person Months (4 wks-p/m)      | 75                | 15             | 125    | 38     | 1125         | 50            | 75     | 45    | 100   | 70     | 45    | 15     | 8      | 1785    |
| Average cost per Trainee             | 600               | 425            | 350    | 425    | 250          | 900           | 600    | 600   | 125   | 200    | 600   | 600    | 250    |         |
| Total Cost                           | 90000             | 25500          | 87500  | 63750  | 187500       | 90000         | 90000  | 54000 | 50000 | 56000  | 54000 | 36000  | 25500  | 909750  |
| <b>US AND THIRD COUNTRY TRAINING</b> |                   |                |        |        |              |               |        |       |       |        |       |        |        |         |
| Number of Groups                     | 5                 | 2              | 5      | 5      | 2            | 5             | 5      | 3     |       | 2      | 3     | 3      | 2      | 42      |
| Trainees per Group                   | 10                | 6              | 5      | 5      | 4            | 5             | 5      | 2     |       | 35     | 2     | 8      | 5      |         |
| Total trainees                       | 50                | 12             | 25     | 25     | 8            | 25            | 25     | 6     | 0     | 70     | 6     | 24     | 10     | 286     |
| Average length of training           | 2 wks             | 3 mos          | 2 wks  | 2 wks  | 3 wks        | 2 wks         | 3 mos  | 2 wks |       | 1 mos  | 2 wks | 12 mos | 24 mos |         |
| Total Person Months (4 wks-p/m)      | 25                | 36             | 13     | 13     | 6            | 13            | 75     | 4     |       | 70     | 4     | 288    | 240    | 786     |
| Average cost per Trainee             | 2000              | 12000          | 2000   | 2000   | 3000         | 2000          | 12000  | 2000  |       | 4000   | 2000  | 15000  | 30000  |         |
| Total Cost                           | 100000            | 144000         | 50000  | 50000  | 24000        | 50000         | 300000 | 12000 | 0     | 280000 | 12000 | 360000 | 300000 | 1682000 |
| <b>TOTAL NUMBER OF TRAINEES</b>      | 200               | 72             | 275    | 175    | 758          | 125           | 175    | 96    | 400   | 350    | 96    | 84     | 40     | 2846    |
| <b>TOTAL PERSON MONTHS</b>           | 100               | 51             | 138    | 50     | 1131         | 63            | 150    | 49    | 100   | 140    | 49    | 303    | 248    | 2571    |
| <b>TOTAL COST</b>                    | 190000            | 169500         | 137500 | 113750 | 211500       | 140000        | 390000 | 66000 | 50000 | 336000 | 66000 | 396000 | 325500 | 2591750 |

COST ESTIMATES FOR IN-COUNTRY TRAINING

TABLE VII

Two Week Training Program

| Description                                | Amount       |
|--|--------------|
| <b>Two Trainers</b>                        |              |
| Salary 274/dy x 2 x 13 days                | 7124         |
| Travel                                     | 2000         |
| PerDiem                                    | 3050         |
| Miscellaneous                              | 500          |
| Miscellaneous Support Cost/Equipment, etc. | 500          |
| Space                                      | 500          |
| <b>Sub Total</b>                           | <b>13584</b> |
| Home Office Overhead and G&A 30%           | 4105         |
| <b>Total Costs</b>                         | <b>17789</b> |

Average Costs per Trainee

| Number of Trainees | Amount |
|--------------------|--------|
| 10                 | 1779   |
| 15                 | 1186   |
| 20                 | 889    |
| 25                 | 712    |
| 30                 | 593    |
| 40                 | 445    |
| 50                 | 356    |

One Week Training Program

| Description                                | Amount       |
|--|--------------|
| <b>Two Trainers</b>                        |              |
| Salary 274/dy x 2 x 8 days                 | 4384         |
| Travel                                     | 2000         |
| PerDiem                                    | 2160         |
| Miscellaneous                              | 500          |
| Miscellaneous Support Cost/Equipment, etc. | 500          |
| Space                                      | 250          |
| <b>Sub Total</b>                           | <b>9794</b>  |
| Home Office Overhead and G&A 30%           | 2938         |
| <b>Total Costs</b>                         | <b>12732</b> |

Average Costs per Trainee

| Number of Trainees | Amount |
|--------------------|--------|
| 10                 | 1273   |
| 15                 | 849    |
| 20                 | 637    |
| 25                 | 509    |
| 30                 | 424    |
| 40                 | 318    |
| 50                 | 255    |

Six Week Training Program in Financial Management

| US TRAINING INSTITUTION                    |              |
|--|--------------|
| Description                                | Amount       |
| <b>Two Trainers</b>                        |              |
| Salary 274/dy x 2 x 33 days                | 18084        |
| Travel                                     | 2000         |
| PerDiem                                    | 8100         |
| Miscellaneous                              | 500          |
| Miscellaneous Support Cost/Equipment, etc. | 500          |
| Space                                      | 250          |
| <b>Sub Total</b>                           | <b>29434</b> |
| Home Office Overhead and G&A 30%           | 8830         |
| <b>Total Costs</b>                         | <b>38264</b> |

LOCAL TRAINING INSTITUTION

|                                      |             |
|--------------------------------------|-------------|
| Two Trainers @ 350/wk                | 4200        |
| Materials                            | 1000        |
| Institution support/overhead/fee 25% | 1300        |
| <b>Total Costs</b>                   | <b>6500</b> |

Training Summary

|   |            |
|---|------------|
| Four courses using Local Inst.            | 26000      |
| One course using US Inst.                 | 38264      |
| <b>Total Participants (50 per course)</b> | <b>250</b> |
| <b>Average cost per trainee</b>           | <b>257</b> |

The fourth year for Zamorano students is more than likely to be in Guatemala; therefore, no funds have been included for travel.

In addition, the project will attempt to obtain financial support, in addition to travel and salaries, from the private sector where financial need is not a constraint to training. Again, if this happens, additional training will be possible under that component.

Counterpart contributions have been calculated for both the GOG and non-GOG trainees. Table VIII shows the calculation and includes the assumptions made in the calculations. Counterpart has also been treated conservatively. It is expected that additional contributions will be received in support of the private sector trainees; however, since it is difficult to quantify at this time it has not been included in expected counterpart. The innovative training model involves the U.S. training institution in a cost-sharing arrangement whereby some initial travel and costs are paid for by the U.S. institutions. This is also counterpart to the project. The minimum expected counterpart contribution represents 26% of total project costs.

c. Other Budget Items:

Table IX is a summary of all project costs. Training cost have been summarized by component, and with the exception of the "Other" categories, sub-components have been broken down between in-country and US training. The Table also indicates the number of person months planned for each activity.

The Student Outreach component has been estimated at \$50,000. The details of this activity are still to be worked out. Therefore an estimate of cost is used in the budget. The amount represents only .6 of 1% of total project costs, and therefore the uncertainty does not affect the credibility of the overall budget.

Four evaluations have been provided for at \$50,000 each and two audits have been budgeted at \$25,000 each.

Inflation has been calculated at 5%, as shown in Table V. The budget for the implementing unit also has an inflation factor of 8% included. Contingencies represent the unprogrammed balance of funds available and amounts to approximately 3.5% of total training costs, or 9% of the new training activities, i.e., excluding Merit and Zamorano programs which are already included in MOUs. Again, the implementing unit includes a 10% inflation factor within its budget.



SUMMARY

TABLE IX

| SUMMARY                          |             |               |                             |             |               |                                  |             |               | TABLE IX                     |             |                |
|----------------------------------|-------------|---------------|-----------------------------|-------------|---------------|----------------------------------|-------------|---------------|------------------------------|-------------|----------------|
| COMPONENTS                       | PERS MONTHS | \$            | COMPONENTS                  | PERS MONTHS | \$            | COMPONENTS                       | PERS MONTHS | \$            | COMPONENTS                   | PERS MONTHS | \$             |
| <b>COMPONENT I -</b>             |             |               | <b>COMPONENT II</b>         |             |               | <b>INSTITUTION STRENGTHENING</b> |             |               | <b>CAPS COMPLEMENT</b>       |             |                |
| <b>INDUSTRIAL RELATIONS</b>      |             |               | <b>FINANCIAL MANAGEMENT</b> |             |               | <b>MS</b>                        |             |               | <b>MERIT PROGRAM</b>         |             |                |
| IN COUNTRY                       | 75          | 90000         | IN COUNTRY                  | 1125        | 187500        | IN COUNTRY                       | 15          | 36000         | BALANCE ORIGINAL MOU         |             | 915983         |
| U.S.                             | 25          | 100000        | U.S.                        | 6           | 24000         | U.S.                             | 288         | 360000        | ADDITIONAL                   |             |                |
| <b>TOTAL</b>                     | <b>100</b>  | <b>190000</b> | <b>TOTAL</b>                | <b>1131</b> | <b>211500</b> | <b>TOTAL</b>                     | <b>303</b>  | <b>396000</b> | IN COUNTRY                   | 100         | 50000          |
| <b>PRIVATE SECTOR</b>            |             |               | <b>CIVIL SERVICE</b>        |             |               | <b>PHD</b>                       |             |               | U.S.                         | 0           | 0              |
| IN COUNTRY                       | 15          | 25500         | IN COUNTRY                  | 50          | 90000         | IN COUNTRY                       | 8           | 25500         | <b>TOTAL MERIT</b>           | 100         | 965983         |
| U.S.                             | 35          | 144000        | U.S.                        | 13          | 50000         | U.S.                             | 240         | 300000        | <b>ZAMORANO</b>              |             |                |
| <b>TOTAL</b>                     | <b>51</b>   | <b>169500</b> | <b>TOTAL</b>                | <b>63</b>   | <b>140000</b> | <b>TOTAL</b>                     | <b>248</b>  | <b>325500</b> | BALANCE ORIGINAL MOU         |             | 2218170        |
| <b>ECO</b>                       |             |               | <b>STATISTICS</b>           |             |               | <b>OTHER</b>                     |             |               | ADDITIONAL                   |             |                |
| IN COUNTRY                       | 125         | 87500         | IN COUNTRY                  | 75          | 90000         | IN COUNTRY                       | 49          | 65000         | IN COUNTRY                   | 70          | 56000          |
| U.S.                             | 13          | 50000         | U.S.                        | 75          | 300000        | U.S.                             |             |               | U.S.                         | 70          | 280000         |
| <b>TOTAL</b>                     | <b>138</b>  | <b>137500</b> | <b>TOTAL</b>                | <b>150</b>  | <b>390000</b> | <b>TOTAL</b>                     | <b>49</b>   | <b>65000</b>  | <b>TOTAL ZAMORANO</b>        | 140         | 2554170        |
| <b>OTHER</b>                     |             |               | <b>OTHER</b>                |             |               |                                  |             |               |                              |             |                |
| <b>TOTAL</b>                     | <b>50</b>   | <b>113750</b> | <b>TOTAL</b>                | <b>49</b>   | <b>66000</b>  |                                  |             |               |                              |             |                |
| <b>TOTAL COMPONENT I</b>         |             |               | <b>TOTAL COMPONENT II</b>   |             |               | <b>TOTAL INST. STRENGTHENING</b> |             |               | <b>TOTAL CAPS COMPLEMENT</b> |             |                |
|                                  | <b>339</b>  | <b>610750</b> |                             | <b>1333</b> | <b>807500</b> |                                  | <b>600</b>  | <b>787500</b> |                              | <b>240</b>  | <b>3520153</b> |
| <b>TOTAL TRAINING COMPONENTS</b> |             |               |                             |             |               |                                  |             |               |                              | <b>2571</b> | <b>5725903</b> |
| <b>TRAINING OUTREACH</b>         |             |               |                             |             |               |                                  |             |               |                              |             | 50000          |
| <b>EVALUATION AND AUDIT</b>      |             |               |                             |             |               |                                  |             |               |                              |             | 250000         |
| <b>IMPLEMENTATION UNIT</b>       |             |               |                             |             |               |                                  |             |               |                              |             | 950000         |
| <b>INFLATION</b>                 |             |               |                             |             |               |                                  |             |               |                              |             | 227799         |
| <b>COSTINGENCIES</b>             |             |               |                             |             |               |                                  |             |               |                              |             | 796298         |
| <b>TOTAL PROJECT *</b>           |             |               |                             |             |               |                                  |             |               |                              | <b>2571</b> | <b>8000000</b> |

\* Excludes Zamorano and Merit long term P/Ms

Table X is a year by year reconstruction of the budget shown in Table IX.

4. Methods of Implementation and Financing

As indicated in the chart below, all project inputs will be implemented directly by AID. No funds will flow through any Host Country institution as a result of the Project Agreement. The implementing unit and any local training will be by direct AID contract or purchase order. Participating organizations responsibilities will be limited to making staff available for training, continuation of salaries, and transportation expenses for U.S. or Third-Country training. Transportation costs of GOG trainees will be provided through the PD&S local currency Trust Fund managed by the Mission; therefore, there are no institutional or administrative issues affecting successful project implementation.

Following, is a chart describing the methods of implementation and financing:

| <u>METHOD OF IMPLEMENTATION</u> | <u>METHOD OF FINANCING</u> | <u>ESTIMATED AMOUNT</u><br>(\$000) |
|---------------------------------|----------------------------|------------------------------------|
| Training -                      |                            |                                    |
| AID Dir. US Cont.               | Direct Pay                 | 2,440                              |
| AID Dir. Local Cont.            | Direct Pay                 | 200                                |
| AID Dir. MOU                    | Direct Pay                 | 3,135                              |
| Technical Assistance -          |                            |                                    |
| AID Dir. Local Cont.            | Direct Pay                 | 950                                |
| Evaluations -                   |                            |                                    |
| AID Dir. US Cont.               | Direct Pay                 | 200                                |
| Audits -                        |                            |                                    |
| AID Dir. Local Cont.            | Direct Pay                 | 50                                 |
| Contingency & Inflation         |                            | 1,025                              |

D. Environmental Analysis

The proposed project will not involve activities such as construction which significantly affect the physical or natural environment and the Mission recommends that the Development Training and Support Project be given a negative determination requiring no further environmental review.

See Annex 2 for a more detailed analysis.

ACTIVITY BY FISCAL YEAR

TABLE I

| DESCRIPTION                      | YEAR ONE   |                | YEAR TWO   |                | YEAR THREE |                | YEAR FOUR  |               | YEAR FIVE  |               | ALL YEARS   |                |
|----------------------------------|------------|----------------|------------|----------------|------------|----------------|------------|---------------|------------|---------------|-------------|----------------|
|                                  | TRAINEES   | AMOUNT         | TRAINEES   | AMOUNT         | TRAINEES   | AMOUNT         | TRAINEES   | AMOUNT        | TRAINEES   | AMOUNT        | TRAINEES    | AMOUNT         |
| <b>COMPONENT I</b>               |            |                |            |                |            |                |            |               |            |               |             |                |
| Ind. Relat. - In Country         | 30         | 18000          | 30         | 18000          | 30         | 18000          | 30         | 18000         | 30         | 18000         | 150         | 90000          |
| US                               | 10         | 20000          | 10         | 20000          | 10         | 20000          | 10         | 20000         | 10         | 20000         | 50          | 100000         |
| Private Sector - In Country      | 30         | 12750          | 30         | 12750          |            |                |            |               |            |               | 60          | 25500          |
| US                               | 6          | 72000          | 6          | 72000          |            |                |            |               |            |               | 12          | 144000         |
| NGO - In Country                 | 50         | 17500          | 50         | 17500          | 50         | 17500          | 50         | 17500         | 50         | 17500         | 250         | 87500          |
| US                               | 5          | 10000          | 5          | 10000          | 5          | 10000          | 5          | 10000         | 5          | 10000         | 25          | 50000          |
| Other - In Country               | 30         | 12750          | 30         | 12750          | 30         | 12750          | 30         | 12750         | 30         | 12750         | 150         | 63750          |
| US                               | 5          | 10000          | 5          | 10000          | 5          | 10000          | 5          | 10000         | 5          | 10000         | 25          | 50000          |
| <b>Total</b>                     | <b>166</b> | <b>173000</b>  | <b>166</b> | <b>173000</b>  | <b>130</b> | <b>88250</b>   | <b>130</b> | <b>88250</b>  | <b>130</b> | <b>88250</b>  | <b>722</b>  | <b>610750</b>  |
| <b>COMPONENT II</b>              |            |                |            |                |            |                |            |               |            |               |             |                |
| Financial Mgmt. - In Country     | 150        | 37500          | 150        | 37500          | 150        | 37500          | 150        | 37500         | 150        | 37500         | 750         | 187500         |
| US                               | 4          | 12000          | 4          | 12000          |            |                |            |               |            |               | 8           | 24000          |
| Civil Service - In Country       | 20         | 18000          | 20         | 18000          | 20         | 18000          | 20         | 18000         | 20         | 18000         | 100         | 90000          |
| US                               |            | 0              | 5          | 10000          | 10         | 20000          | 5          | 10000         | 5          | 10000         | 25          | 50000          |
| Statistics - In Country          | 30         | 18000          | 30         | 18000          | 30         | 18000          | 30         | 18000         | 30         | 18000         | 150         | 90000          |
| US                               | 5          | 60000          | 5          | 60000          | 5          | 60000          | 5          | 60000         | 5          | 60000         | 25          | 300000         |
| Other - In Country               |            | 0              | 30         | 18000          | 30         | 18000          | 30         | 18000         | 0          | 0             | 90          | 54000          |
| US                               |            | 0              | 2          | 4000           | 2          | 4000           | 2          | 4000          | 0          | 0             | 6           | 12000          |
| <b>Total</b>                     | <b>209</b> | <b>145500</b>  | <b>246</b> | <b>177500</b>  | <b>247</b> | <b>175500</b>  | <b>242</b> | <b>165500</b> | <b>210</b> | <b>143500</b> | <b>1154</b> | <b>807500</b>  |
| <b>INSTITUTION STRENGTHENING</b> |            |                |            |                |            |                |            |               |            |               |             |                |
| Masters - In Country             |            | 0              | 20         | 12000          | 20         | 12000          | 20         | 12000         | 0          | 0             | 60          | 36000          |
| US                               |            | 0              | 8          | 120000         | 8          | 120000         | 8          | 120000        | 0          | 0             | 24          | 360000         |
| PhD - In Country                 |            | 0              | 15         | 12750          | 15         | 12750          | 0          | 0             | 0          | 0             | 30          | 25500          |
| US                               |            | 0              | 5          | 150000         | 5          | 150000         | 0          | 0             | 0          | 0             | 10          | 300000         |
| Other - In Country               |            | 0              | 30         | 18000          | 30         | 18000          | 30         | 18000         | 0          | 0             | 90          | 54000          |
| US                               |            | 0              | 2          | 4000           | 2          | 4000           | 2          | 4000          | 0          | 0             | 6           | 12000          |
| <b>Total</b>                     | <b>0</b>   | <b>0</b>       | <b>80</b>  | <b>316750</b>  | <b>80</b>  | <b>316750</b>  | <b>60</b>  | <b>154000</b> | <b>0</b>   | <b>0</b>      | <b>220</b>  | <b>787500</b>  |
| <b>CAPS COMPLEMENT</b>           |            |                |            |                |            |                |            |               |            |               |             |                |
| Merit - Balance MOU              |            | 228996         |            | 228996         |            | 228996         |            | 228996        |            |               | 0           | 915993         |
| Addit. In Country                |            | 0              | 100        | 12500          | 100        | 12500          | 100        | 12500         | 100        | 12500         | 400         | 50000          |
| Addit. US                        |            | 0              | 0          | 0              | 0          | 0              | 0          | 0             | 0          | 0             | 0           | 0              |
| Zamorano - Balance MOU           |            | 841333         |            | 805035         |            | 506802         |            | 65000         |            |               | 0           | 2218170        |
| Addit. In Country                |            | 0              | 70         | 14000          | 70         | 14000          | 70         | 14000         | 70         | 14000         | 280         | 56000          |
| Addit. US                        |            | 0              | 0          | 0              | 0          | 0              | 35         | 140000        | 35         | 140000        | 70          | 280000         |
| <b>Total</b>                     | <b>0</b>   | <b>1070329</b> | <b>170</b> | <b>1060531</b> | <b>170</b> | <b>762298</b>  | <b>205</b> | <b>460496</b> | <b>205</b> | <b>166500</b> | <b>750</b>  | <b>3520153</b> |
| <b>TOTAL TRAINING COMPONENTS</b> | <b>375</b> | <b>1388829</b> | <b>662</b> | <b>1727781</b> | <b>627</b> | <b>1342798</b> | <b>637</b> | <b>868246</b> | <b>545</b> | <b>390250</b> | <b>2845</b> | <b>5725903</b> |
| TRAINING OUTREACH                |            | 50000          |            |                |            |                |            |               |            |               |             | 50000          |
| EVALUATION AND AUDIT             |            |                |            | 50000          |            | 75000          |            | 50000         |            | 75000         |             | 250000         |
| IMPLEMENTATION UNIT              |            | 222684         |            | 172274         |            | 182285         |            | 175413        |            | 197344        |             | 950000         |
| INFLATION (5% of training costs) |            |                |            | 86389          |            | 70497          |            | 47862         |            | 23051         |             | 227792         |
| CONTINGENCIES                    |            | 50000          |            | 50000          |            | 50000          |            | 50000         |            | 56298         |             | 796298         |

## V. IMPLEMENTATION PLAN

The implementation plan for this project assumes critical importance given the diversified scope of training and the objectives for institution building and policy change. Particularly crucial to the success of the various project components is the need for an organizational structure and mechanism to initiate and encourage public and private sector dialogue. Further, much of the training is inter-related, and in some cases, inter-dependent. This will require extensive coordination of the training components, project elements and various institutions and sectors which are involved.

The magnitude of this project, in terms of the institutional and policy changes expected to result from participation by senior- and mid-level leaders, managers and officials from both the public and private sectors, has significant political implications as well as project considerations. Therefore, it is of the utmost importance to provide for Guatemalan input to the project in a meaningful relationship with USAID/G and other project management.

The organization of this project is based on a coordinated and cooperative relationship between:

- (a) Guatemalan officials and leaders in the public/private sectors and university community;
- (b) USAID/G and Embassy officials;
- (c) The local organizational entities contracted to assist with project logistics and administration; and
- (d) The U.S. training institutions who, in the case of U.S. or Third-Country training, are primarily responsible, along with USAID/G and the institutional local counterparts for selecting trainees and developing course content.

One of the most important relationships to flow from the project design is the sustained relationship over time between the U.S. institution and its local counterpart institution. Even after the project terminates, it is expected that the mutually-beneficial institutional relationships created by this project will continue strengthening U.S.-Guatemalan relations and enhancing the institutional growth and for continued opportunities for social, economic and democratic growth.

A. Administrative Arrangements

1. Grantee/Obligating Document: USAID/G will sign an agreement with the GOG's National Economic Planning Council (SEGEPLAN). SEGEPLAN will serve as the official GOG institution for authorization of the project and as a depository for project funds. Where possible, AID dollar funding will be supplemented by GOG owned ESF local currency (Technical Support Trust Funds), in support of international air fares and other support for project trainees from the public sector. In addition, negotiations will be held with Guatemalan private sector business firms to share program and administrative costs with USAID/G for trainees selected from the private sector.

2. Project Management

a. Contract management: USAID/G will use the services of Partners for International Education and Training (PIET), which is AID/W's training placement contractor, to identify training sources that are responsive to project requests for training across all sectors. Local institutions may provide and/or coordinate in-country training and to provide all in-country logistic and administrative support. If it is discovered that occasional additional logistical support is needed in order to carry out project activities, an IQC arrangement will be entered into to provide such services on an as-needed basis. The local institutions will be selected based on:

(1) Experience with in-country short-term training placement and programming in the specific content areas for both public and private sector trainees;

(2) Demonstrated ability and experience of the organization and staff in working with high-level host country officials, institutions and private sector business leaders;

(3) Evidence of familiarity with an established network of training institutions for short- and long- term training in Guatemala;

(4) Knowledge of Guatemalan institutions and key issues related to training within the present socio-economic and political context, and

(5) Evidence of the necessary resources and sensitivity to major project issues to assist in the implementation of this project;

(6) Ability to work in a team manner with the U.S. training institution and to continue working in the sector after the USAID/G-funded activity ceases.

The primary functions of the local counterpart institutions will be to work closely with the U.S. institution to organize in-country activities, establish liaison with Guatemalan institutions and to process trainees for all training. Specifically, this includes:

- Maintaining continued contact with the GOG, private sector institutions, NGO's and the universities;
- Under USAID/G guidance, develop and disseminate informational materials on the purpose of the project, application procedures and selection criteria for the specific element they are involved with. The institutions will work closely with USAID/G on the informational aspects of the project and use all standard AID forms;
- Work with USAID/G and U.S. training institutions to identify training areas, screen applications and develop specific criteria needed to complete PIO/P's and process all trainees for U.S. training;
- Submit all required training documentation and project information for USAID/G approval;
- At USAID/G's request and through a U.S. PSC, obtain preliminary lists of potential U.S. training sources and institutions from PIET.

PIET will then, on the basis of the PIO/P's, provide USAID/G with a list of resources from which a training contractor will be selected. Selection will be based on the responsiveness of the institution's proposal to the training requirement, the quality of training staff, location and other logistic factors and the willingness of the institution to develop Guatemala specific course content and to participate in cost sharing arrangements with USAID/G, including arranging for training personnel to visit Guatemala to provide in-country training and other related services.

U.S. Training Institution: The U.S. training institutions will develop a preliminary in-country training program and will send training personnel to Guatemala to meet with USAID/G the local counterpart institution, the PSC, the benefiting institution and the training candidates.

The U.S. training institution will, during the preliminary visit, conduct a short-term course, workshop or seminar for a large group of Guatemalans, and based on this initial training program, the best trainees will be selected by the training institutions for subsequent U.S. or Third Country training. The U.S. training institution will, during this initial visit, develop training objectives and draft PIO/P's for those trainees who are selected for subsequent training. Information needed for the design of course content for the off-shore training (to assure its relevance to Guatemalan needs) will also be collected at this time. If earlier training has already been conducted, the training institution will also follow up on returnees, evaluate how they have utilized the training and get their input into how the program could be modified to improve its relevance and use.

The in-country seminars, conferences and workshops form an integral part of most training programs. Selection preference will be given to U.S. training institutions that are willing to fully pay for or significantly cost share the cost of these in-country pre- and post-U.S. training programs in exchange for the guarantee of carrying out the U.S. training. This will be clearly outlined in the requests that PIET makes for proposals.

Most but not all training courses will follow this "sandwich" pattern. In some instances, training will take place only in Guatemala, in which case PIET's services will not be necessary and the local contractor will make all training arrangements. In other instances, training will take place only in the U.S. and the programming and placement functions will be taken care of by PIET.

Exhibit Two provides a graphical presentation of the organizational structure proposed for this project and describes what the major responsibilities of each organization will be in the project. Exhibit Three provides a flow chart diagram on the major steps and institutions involved in a typical "sandwich" training course.

A U.S. organization will be contracted to provide technical assistance to FUNDESA's "Youth for Guatemala" Program. The technical assistance will enable the program to improve and sustain the outreach activities it has already initiated and to expand in areas that are needed but can also be sustained. The U.S. organization will be selected based on:

- (1) Evidence of familiarity with an established network for locating Guatemalan students and/or the universities where they study in the U.S.;
- (2) Experience in the design and implementation of surveys and job service networks;
- (3) Experience in organizing national associations and activities associated with them, and
- (4) Demonstrated ability and experience in working with Third World institutions.

The primary functions of the U.S. organization will be to provide technical assistance to the "Youth for Guatemala" Program in methods used for locating and maintaining a roster of Guatemalans studying abroad, and depending on the success of this activity, the organization may expand its services to include the following:

- (1) Organization of a U.S. association of Guatemalan students, including periodic meetings, workshops on home country employment and other subjects, pre-return seminars, a newsletter, clipping service, etc.;
- (2) An alumni program for returnees from U.S. study; which could include a speaker's program, social activities, English refresher process, or involvement in pre-departure orientations for new students going to the U.S. to study;

EXHIBIT TWO

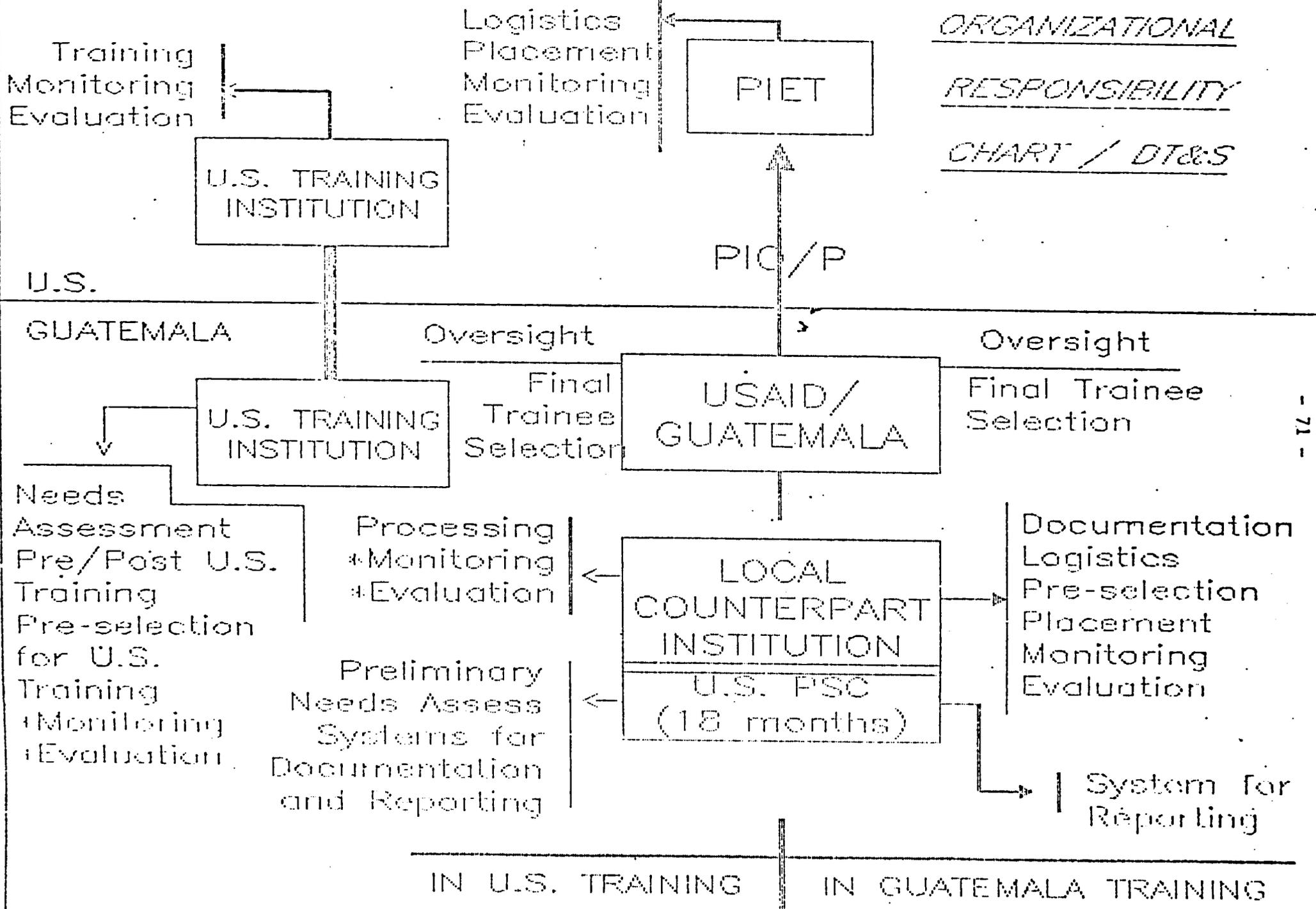
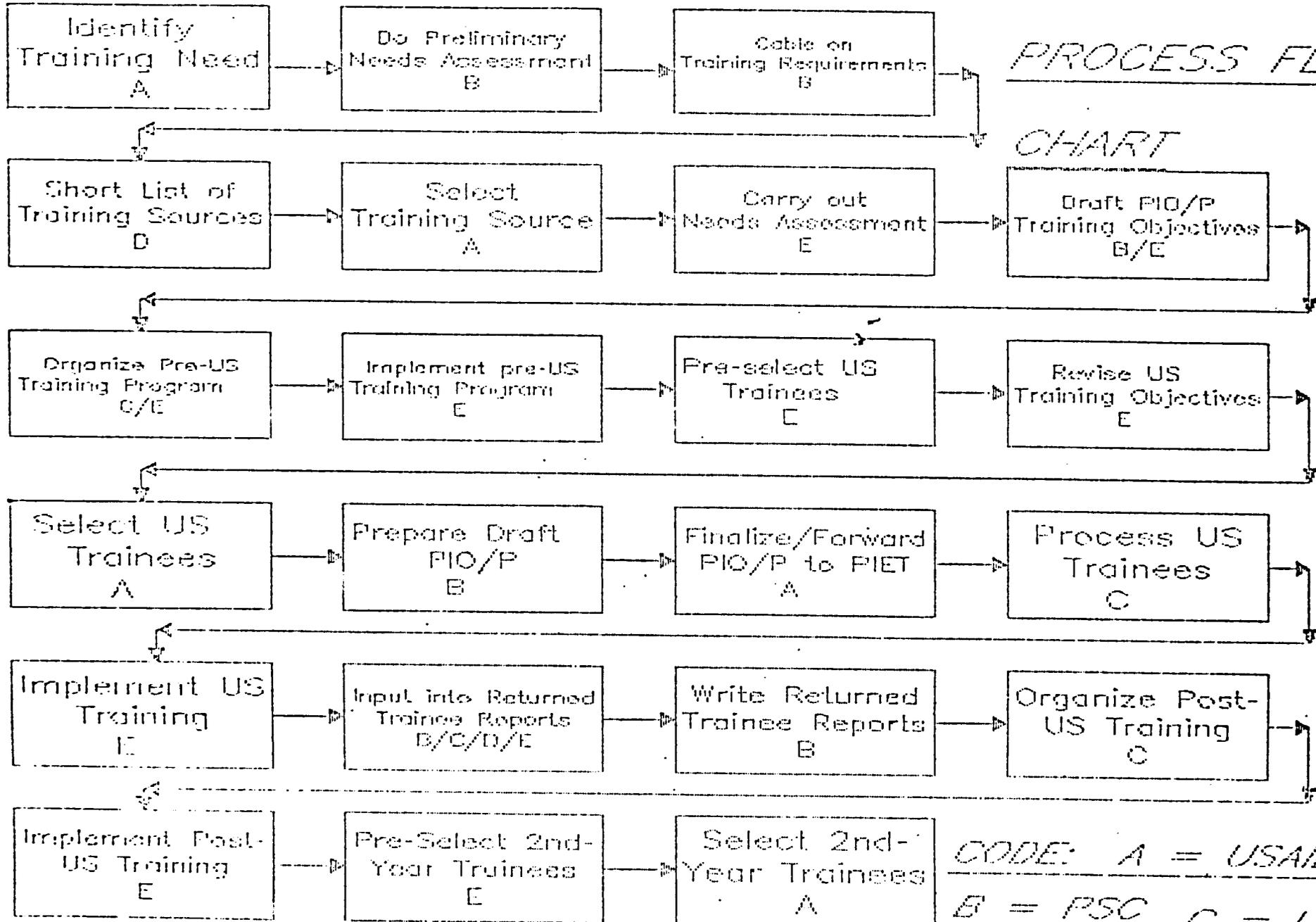


EXHIBIT THREE

DT&S TRAINING

PROCESS FLOW

CHART



CODE: A = USAID/G  
 B = PSC C = LOCAL

TRAINING INSTITUTION D = PIET E = US TRAINING INSTITUTION

SPECIFIC  
SCOPE FOR  
PSC

Pre-U.S.  
Training  
Needs  
Assessment

U.S. Training  
Institution  
Selection  
Cable

Initial  
list of  
Participating  
Institutions

Pre-selection  
of the  
Counterpart  
Institution

Selection Criteria  
for the  
In-country  
Training

Selection Criteria  
for the  
In-U.S.  
Training

System for  
Monitoring  
Training

System For  
Evaluating  
Training

Application  
Form Keyed to  
PTMS or CIS

RFP for  
Contractor  
in TCA format

All English  
Language  
Reporting

(3) Research program oriented toward foreign study issues such as surveys of nationals studying in the U.S. and sharing findings with them;

(4) Home country job listing service to enable students to review job prospects prior to their return home;

(5) An active job referral or matching service through which Guatemalan firms match students completing foreign study with employees who seek their expertise.

Gray Amendment: Full consideration was given to the inclusion of Gray Amendment Organizations in the provision of the required services, and opportunities exist for individuals (services) to bid on and provide the necessary services required under this project. The evaluation contract will be awarded under the 8(a) set-aside mechanism to a Gray Amendment firm.

b. Mission Project Administration: Overall management of the Development Training and Support Project will be the responsibility of a project officer located in the Office of Human Resource Development (OHRD). Working through a project implementation committee, the manager will work closely with the local training organizations, the PSC, and benefiting Guatemalan institutions. This responsibility will be limited to coordination, communication and overall project supervision. It will not involve day to day bureaucratic operations such as the processing of routine papers and documents which will be handled by the PSC and local counterpart institutions. The USAID/G project manager will act as a spokesperson for the project with the public and private sectors and will monitor activities to ensure that project elements are on target. He/she will also arrange for direct USAID/G contact with all project-funded trainees.

## B. Implementation Plan

a. Pre-implementation stage: USAID/G has done considerable groundwork in preparation for this project and has held informal discussions and interviews with representatives from the public and private sectors and from the university community.

The consensus of these interviews and studies is that this is an important project which is generating enthusiasm on the part of all concerned parties. In several

training areas, training candidates have been identified through this initial groundwork; therefore, it is possible to implement some training immediately after the project is operational.

Because it will take some time to identify, locate and contract a PSC, USAID/G will handle or will use small contract authority mechanisms to initiate training during this pre-contractor stage. Development training process and procedures during this period will not involve a great deal of USAID's management resources since candidates and/or programs have already been identified through preliminary discussions with representatives from Guatemala's institutions and the operations for processing them and placing them through PIET are routine and well known to USAID/G's Training Officer.

The responsibility during this stage includes contacting PIET, approving the training institution and routine processing and monitoring of trainees. The identification of these candidates and/or programs was based on the criteria established earlier in this Project Paper, e.g., that candidates for training be in leadership positions, have the ability to pursue and pass on training, are committed to the project, and in the instance of off-shore training, are committed to returning to their jobs or positions for a period of twice the duration of the off-shore training.

Even though the number of candidates to be processed during the initial several months is relatively small, USAID/G wishes to build on the tremendous interest generated concerning this project and to begin to immediately implement the selected activities which will gain high visibility and credibility in the initial stages. This will avoid a relatively long hiatus after project approval and before a PSC is selected and brought on board. Once the local contractor is operational, he/she will assume all bureaucratic tasks associated with the recruitment, screening, selection and processing of trainees as described earlier.

b. Status of Project Elements: Table XI demonstrates which training elements are ready for immediate implementation. The "Implementation Phase" signifies that substantial work has been done in preparing for the particular training, e.g. training needs have been identified, candidates have been selected, course curriculum has been designed, and the programs can be implemented after authorization. For training elements falling under the "Pre-Implementation Phase", the initial groundwork remains to be completed.

TABLE XI

| COMPONENTS  | IMPLEMENTATION STATUS    |                      |
|---|--------------------------|----------------------|
|   | PRE-IMPLEMENTATION PHASE | IMPLEMENTATION PHASE |
| 1. <u>Strengthen Private Sector</u>                           |                          |                      |
| A. Industrial Relations                                       |                          | X                    |
| B. Public and Private dialogue                                |                          | X                    |
| C. Non-profit NGO's   |                          | X                    |
| D. Other programs   | X                        |                      |
| 2. <u>Improve Public Sector Policy &amp; Program Analysis</u> |                          |                      |
| A. Financial Management training                              |                          | X                    |
| B. Civil Service training                                     | X                        |                      |
| C. Statistical training                                       |                          | X                    |
| D. Other programs   | X                        |                      |
| 3. <u>Education Sector Support and Improvement</u>            |                          |                      |
| A. Merit and Zamorano Scholarships                            |                          | X                    |
| B. University Faculty Improvement                             | X                        |                      |
| C. Other programs   | X                        |                      |
| 4. <u>Training Outreach &amp; Support</u>                     |                          |                      |
| A. Youth for Guatemala  |                          | X                    |
| B. Other programs   | X                        |                      |

Note: The status of the components is reflected in the Implementation Schedule

c. Implementation Schedule: The following Table XII provides a detailed implementation schedule of major project activities.

Table XII  
Major Project Activities

|     | EVENT   | RESPONSIBLE INSTITUTION | DATE          |
|-----|---|-------------------------|---------------|
| 1.  | PP approved and authorized  | USAID                   | August 1988   |
| 2.  | Project Agreement signed with SEGEPLAN  | USAID & Counterpart     | August 1988   |
| 3.  | Sign contract U.S. PSC  | USAID                   | November 1988 |
| 4.  | PSC contract local staff  | USAID & PSC             | December 1988 |
| 5.  | Sign contract with U.S. Organization to work with with FUNDESA  | USAID & Organization    | February 1989 |
| 6.  | Research and recommendation for elements ready for immediate implementation                                       | PIET                    | October 1988  |
| 7.  | First group for U.S. training   | USAID/PIET              | November 1988 |
| 8.  | Investigations and Needs Assessments for elements not ready for immediate implementation at time of authorization | PIET & PSC              | March 1989    |
| 9.  | Results and recommendations of Needs Assessments PSC  |                         | April 1989    |
| 10. | Locate U.S. training institutions   | PIET                    | Various       |
| 11. | Approve implementation plans for FY 1989  | USAID & PSC             | December 1988 |
| 12. | Approve plans & budgets for FY 1989   | USAID                   | December 1988 |

| EVENT  | RESPONSIBLE INSTITUTION | DATE   |
|--|-------------------------|--|
| 13. Formal Evaluation of project activities                                | USAID & Contractor      | September 1990                                     |
| 14. Approve estimated plans and budgets for FY 1990, 1991, 1992, 1993      | USAID                   | June 1989  |
| 15. External audits of fiscal management                                   | USAID Contractor        | Various  |
| 16. Approve plans and budgets:<br>FY 1990<br>FY 1991<br>FY 1992<br>FY 1993 | USAID                   | July 1989<br>July 1990<br>July 1991<br>July 1992   |
| 17. Follow-up evaluations<br>FY 1990<br>FY 1991<br>FY 1992                 | USAID<br>Contractor     | September 1990<br>September 1991<br>September 1992 |
| 18. Final Project Evaluation   |                         | September 1993                                     |

d. Justification for waiver: This source and origin waiver under AID Geographic Code 941 is required to permit all training under the project to take place. Because of language requirements and the need to make training relevant to the legal and cultural traditions of Guatemala, there will be instances when training may not be available from countries or areas included in the authorized Geographic Code. In particular, specialized training in civil service, industrial relations, some specialized graduate programs and others may require training in 941 countries. In these specialized training areas, the legal systems and mores of other 941 countries are more similar to that of Guatemala, enhancing the prospects of training being more appropriate and the skills acquired being more easily adaptable to the Guatemalan milieu.

To the extent that training is available in the United States or the CACM countries, such countries will be utilized,

but we envision that up to \$300,000 of training will be necessary in developing countries other than the CACM. All other procurement of goods and services will have their source and origin in the U.S. AID Geographic Code 000, the cooperating country or other countries included in the Central American Common Market (CACM). Handbook 1B, Section 5D10.a (1) (b) provides that a change in geographic codes is permissible when "no suppliers from countries or areas included in the authorized geographic code are able to provide the required services."

### C. Project Monitoring System

Project monitoring will be the responsibility of both the local training institutions and USAID/G's project manager through a number of management mechanisms. The contractor will periodically visit sites to interview trainees and training/education personnel to identify program strengths and weaknesses. Also, telephone calls will be made at midpoint in the training cycle to conduct short interviews with instructors and/or appropriate training personnel.

In addition, at the conclusion of each training program, the trainees will be required to complete AID's standard training completion reports, which will be submitted to USAID/G as interim reports. When training is conducted in Guatemala, the USAID/G project manager will visit training sites to monitor the progress of trainees and advise the appropriate people of any relevant issues or problems requiring attention.

Other monitoring documents will be the initial work plan submitted by the contractor and/or U.S. training institution, quarterly and end of year reports as well as any required interim reports. Local or U.S. training institutions will be required to monitor progress and submit reports to USAID/G's project manager and, where appropriate, to the project contractor. This will establish a three-tier monitoring effort (four, if trainee forms are included), ensuring that project activities are on course and meeting objectives. Monitoring information will be recorded and be the primary responsibility of the management contractor. Gender of trainees, key assumptions and progress indicators will also be built into the monitoring system. Simple baseline and process information will be gathered in such areas as:

- (1) Compliance with project criteria;
- (2) numbers of project trainees; and
- (3) conformity of training to objectives.

This information will be available for evaluators. The local contractor will be responsible for entering data on all project-sponsored trainees into the Participant Training Management system (PTMS) and for making diskettes available to USAID/G on a monthly basis.

D. Evaluation Plan

Since a key objective of this project is to support improvement in policy analysis and institutional reform, evaluation criteria will be based on the extent to which policy has been made and institutional change has occurred or has been implemented. Other important project variables will be measured such as the quality and effectiveness of training, perceived changes in trainee attitudes, ideas and management techniques and improved planning, administration and operations in the public and private sectors.

Evaluation will be carried out at two levels; one will be the ongoing evaluation by the contractor and the USAID/G project manager in the routine management and supervision of project activities. The other level will be the formal evaluation to be conducted internally by AID and externally by specialists with experience in training projects, policy analysis and institutional reform.

The specific approach to evaluation will be determined as the project evolves and experience has accumulated so that sufficient time has elapsed in order to obtain relevant impact data and information. A key factor in the evaluation will be the institutional assessments and specific training objectives developed by the U.S. training resource (to be included as an integral part of each PIO/P) and the routine follow-up provided by the training source in its yearly visits to select new trainees. In addition to training objectives, each document will also include, where appropriate, institutional development objectives based on what can reasonably be expected as a result of the training provided.

The principal outcome of the project evaluation at both levels is to provide the Mission with an analysis of the effectiveness and efficiency of its training strategy and identify strengths and weaknesses in training programs for project beneficiaries. The evaluation will also determine whether this project can serve as a model for multi-sector training to accomplish policy objectives and institutional change. Finally, the evaluation will discuss whether the project warrants expansion based on the relative achievement of project goals and objectives.

Specifically, the evaluation will focus on:

- The quality of the training programs and relevance to Guatemala's unique situations;
- The relevance of the recruitment and selection process in securing candidates who can utilize training effectively;
- The evidence of impact on individual trainee in skills, attitudes and behavioral change, including how training affected job performance, promotions, etc.;
- Improved policy dialogue between the public and private sectors, also, evidence of institutional change;
- Improved management techniques including planning and evaluation;
- Increased efficiency of management systems and operations;
- Sex-disaggregated data of trainees (from PTMS);
- Effectiveness of outreach program;
- Recommendations on corrective actions and/or modifications required by project components; and
- Strength of institutional relationships between the U.S. and the local counterpart institutions
- Institutional and/or policy changes in participating and/or benefitting institutions as a result of the project;
- Documentation of cost savings realized from use of the innovative mechanisms approved for this project.

The above evaluation indicators will apply to all stages of the evaluation process. A formal evaluation will be conducted at one year intervals, beginning twelve months after initial project implementation.

A final report will include an analysis of the above-mentioned evaluation variables but in addition, will also cover such issues as whether GOG internal coordination has improved and whether the public and private sectors have established a workable forum for improved communication.

1. Audits and Other Studies: The evaluation component will also provide for audits and other studies as needed or warranted. Audits may be applied to the contractor and local institutions which have received AID funds for management, administration and training. In addition, special studies may be suggested, either related to project training needs or to support project objectives in specific areas of policy analysis and institution building.

The financial plan includes \$200,000 for evaluation, audits and special studies.

E. Conditions, Covenants and Negotiating Status

This project does not include any Condition Precedent or Covenants to first disbursement. Negotiations with the National Economic Planning Council (SEGEPLAN) are well underway and SEGEPLAN is expected to sign an agreement upon Project authorization.

Consejo Nacional de  
Planificación Económica  
Guatemala, C. A.

ANNEX 1

NUMERO \_\_\_\_\_  
CLASIFICACION SG/223/88

Sírvase referirse al número y clasificación de esta nota

Guatemala,  
21 de julio de 1988

Señor  
Paul White  
Director a.i.  
Misión A.I.D.  
Ciudad

Señor Director:

De la manera más atenta me permito referirme a conversaciones que este Despacho sostuviera recientemente con Funcionarios de la Misión A.I.D., en relación a un nuevo proyecto de capacitación por un monto aproximado de ocho millones de dólares (US\$8,000,000.000 y con una duración de cinco años.

Dicho proyecto, cuyo carácter es de donación, contempla financiamiento para una serie de actividades de adiestramiento, con el propósito de desarrollar el recurso humano, tanto del Sector Público como del Privado, fortaleciendo de esta manera ambos sectores. Esta actividad está prevista a efectuarse en Guatemala y en el exterior.

Una de las preocupaciones y objetivos del actual Gobierno de la República, consiste en el mejoramiento de recursos humanos de ambos sectores, por lo que esta Secretaría, como órgano responsable de la Planificación Nacional, manifiesta por este medio, su interés y apoyo para que este programa pueda concretarse a la mayor brevedad posible.

En tal virtud y en mi calidad de Secretario General, me permito solicitar a la Misión A.I.D., el financiamiento para dicho proyecto, por la suma de ocho millones de dólares (US\$ 8,000.000.000) de donación, para la ejecución del mismo.

Sin otro particular, y a la espera de su oportuna comunicación a este Despacho indicando la fecha de firma de este documento de donación, aprovecho la ocasión para suscribirme deferente servidor.

  
Secretario General  
1000-00000



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ANNEX 2

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON DC 20523

LAC-IEE-88-34

ENVIRONMENTAL THRESHOLD DECISION

Project Location : Guatemala  
Project Title : Development Training and Support  
Project Number : 520-0384  
Funding : \$8,000,000  
Life of Project : Five years  
IEE Prepared by : Roberto Figueroa  
USAID/Guatemala  
Recommended Threshold Decision : Negative Determination  
Bureau Threshold Decision : Concur with Recommendation  
Comments : None  
Copy to : Anthony J. Cauterucci, Director  
USAID/Guatemala  
Copy to : Roberto Figueroa, USAID/Guatemala  
Copy to : Frank Zadroga, ROCAP/San Jose  
Copy to : Donald Boyd, LAC/DR/CEN  
Copy to : IEE File

James S. Hester Date AUG - 2 1988  
James S. Hester  
Chief Environmental Officer  
Bureau for Latin America  
and the Caribbean

## Initial Environmental Examination

Project Location : Guatemala

Project Title : Development Training and Support  
(520-0384)

Funding : \$8,000,000

### Project Description

The goal of the project is to "improve the design, management and evaluation of development policies, strategies and programs".

The project purpose is to "develop a cadre of public and private sector leaders and mid-level professionals with policy making, planning and technical skills required to support Guatemalan social and economic development".

The proposed project will strengthen Guatemalan institutions in the public and private sectors, establish a policy dialogue between them and train and support future and current sector leaders.

The project has been programmed for a five-year LOP, and has the following four basic components, with eleven sub-elements:

1. Strengthen Private Sector Participation in the Social/Economic Development Process in the following areas:
  - (1) Labor Training
  - (2) Public/Private Enterprise Dialogue
  - (3) Non-Profit NGO's
  - (4) Other Programs
  
2. Improve Public Sector Policy and Program Analysis through:
  - (1) Financial Management Training
  - (2) Civil Service Training
  - (3) Statistical Training
  - (4) Other Programs (including training in environmental/natural resource management)

3. Education Sector Support and Improvement through:

- (1) Merit and Zamorano Scholarship Program
- (2) University/Faculty Improvement
- (3) Other Programs

4. Student Outreach:

To encourage Guatemalan students studying in the U. S. to return to Guatemala to contribute to Guatemala's social and economic development.

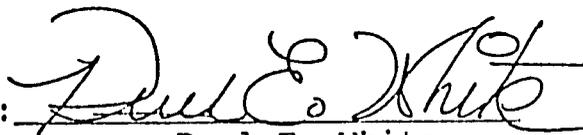
Environmental Impact

The proposed project will not involve activities that have an effect on the natural and physical environment. The activities which will be carried out qualify for a categorical exclusion according to Section 216.2 (c) (2) (i) of 22 CFR as "education, technical assistance or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.)."

Recommendation

Based on the categorical exclusion discussed above, the Mission recommends that the Development Training and Support Project be given a Negative Determination requiring no further environmental review.

Concurrence:



Paul E. White  
Mission Director, a.i.

7/26/88

Date

ANNEX 3  
LOGICAL FRAMEWORK MATRIX

| <u>PROJECT GOAL</u>  | <u>OBJECTIVELY VERIFIABLE INDICATORS</u>  | <u>MEANS OF VERIFICATION</u>  | <u>IMPORTANT ASSUMPTIONS</u>   |
|--|---|---|--|
| Strengthen the economic, social and political development of Guatemala | <ol style="list-style-type: none"> <li>1. Public and private sectors are more responsive to the developmental needs of socially and economically disadvantaged groups in Guatemala.</li> <li>2. Social and economically disadvantaged groups have achieved improved health, nutrition, education and housing status.</li> <li>3. The democratic process is consolidated and democratic political values are culturally assimilated by both ladino and indigenous groups in Guatemala</li> </ol> | <ol style="list-style-type: none"> <li>1. Media, GOG and private sector reporting on development programs designed and implemented to promote these objectives</li> <li>2. National census and specialized surveys designed to measure social and economic development indicators</li> <li>3. Observation of increased use of compromise and accommodation by diverse social and economic groups in Guatemala attempting to resolve their differences.</li> </ol> | <ol style="list-style-type: none"> <li>1. Guatemalan political and private sector leaders and their commitment to social, economic and political development.</li> <li>2. Guatemalan public and private sector institutions are able to adapt their organizational structures to be more responsive to developmental needs.</li> <li>3. The development of the democratic process in Guatemala continues.</li> <li>4. Social and economically disadvantaged groups continue to demand a greater share of the economic and social benefits of development, and to pursue these demands within the political framework of a democratic process.</li> <li>5. The USG and other donors continue to provide significant development assistance to the Guatemalan institutions most capable of promoting social, economic and policy development.</li> </ol> |

PROJECT PURPOSE

To develop a trained cadre of public & private sector Guatemalan representatives at all socio-economic levels, to enhance their skills in policy making, planning, management and technical areas required to support Guatemalan political, social and economic development.

OBJECTIVELY VERIFIABLE INDICATORS

1. Strengthened management and financial management capability in public/private sectors
2. Trained leaders utilizing newly-acquired skills in public and private sectors
3. Improved labor-management relations
4. Closer individual and institutional linkages between Guatemala and U.S. at the University and other levels of society
5. Improved public/policy dialogue in socio-economic development

MEANS OF VERIFICATION

1. Evidence of policy recommendations and incorporation of training objectives into public/private sector initiatives;
2. AID project officer reviews GOG plans and recommendations with officials. Contractor reports to AID on training impact and documents changes and improvements in policy dialogue and institution building

IMPORTANT ASSUMPTIONS

1. The public and private sector leaders, officials and managers will use training to improve dialogue and pursue institutional change. 2.) There is common ground for meaningful and productive communication between the public and private sectors
3. Trainees will return to Guatemala upon completion of study

PROJECT OUTPUTS

1. In-country training completed
2. U.S./Third-Country training completed
3. Merit/Zamorano
4. Training Outreach and Support

1. Up to 1860 individuals provided long-and short-term In-country training
2. Up to 258 individuals provided long-and short-term training
3. Up to 170 disadvantaged youth provided long-term training
4. Up to 5,000 Guatemalan students studying in the U.S. will be contacted and provided information and/or services to improve the probability of their return to Guatemala upon completion of their studies

1. Contractor reports
2. AID and GOG reports
3. Project evaluations, audits

1. Recruitment and selection of high- and mid-level officials will be successful; participants committed to completion of project objectives
2. Training programs relevant to participant needs
3. Training will function smoothly
4. Training cost projections are realistic to support programs
5. High level Guatemalans will not decline training offers because of AID PIO/P regulations which must be fulfilled.
5. Trainees will return to Guatemala upon completion of study.

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| <u>PROJECT INPUTS</u>                              | <u>OBJECTIVELY VERIFIABLE INDICATORS</u> |                        |               | <u>MEANS OF VERIFICATION</u>         | <u>IMPORTANT ASSUMPTIONS</u>                               |
|--|--|------------------------|---------------|--------------------------------------|--|
|  | <u>AID</u>                               | <u>GOG/COUNTERPART</u> | <u>TOTAL</u>  |                                      |  |
| 1. In-country (438 person months)                  | 804                                      | 1,078                  | 1,882         | 1. Budget submission                 | 1. Sufficient resources obligated during project           |
| 2. U.S./Third country training (714 person months) | 1,402                                    | 962                    | 2,363         | 2. Project vouchers and AID contract | 2. Counterpart contribution is provided to support project |
| 3. Merit/Zamorano (240 person months)              | 3,520                                    | 880                    | 4,400         |                                      |  |
| 4. Evaluation/audit                                | 250                                      | ---                    | 250           |                                      |  |
| 5. Training outreach and Support                   | 50                                       | ---                    | 50            |                                      |  |
| 6. Project implementation                          | 950                                      | ---                    | 375           |                                      |  |
| 7. Evaluation/Audits                               | 250                                      | ---                    | 250           |                                      |  |
| 8. Inflation                                       | 276                                      | ---                    | 228           |                                      |  |
| 9. Contingencies                                   | 235                                      | ---                    | 796           |                                      |  |
| <b>TOTAL</b>                                       | <b>8,000</b>                             | <b>2,919</b>           | <b>10,920</b> |                                      |  |

ANNEX 4

STATUTORY CHECK LIST

SC(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B(1) applies to all projects funded with Development Assistance; B(2) applies to projects funded with Development Assistance loans; and B(3) applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY Yes (May 1988).  
CHECKLIST UP  
TO DATE?

HAS STANDARD Yes  
ITEM CHECKLIST  
BEEN REVISED  
FOR THIS  
PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 1988 Continuing Resolution Sec. 523; FAA Sec. 634A. If money is sought to obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified?
  - a. Congressional notification was submitted to Congress on June 30, 1988.
  
2. FAA Sec. 611 (a)(1). Prior to an obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the
  - a. Yes.
  - b. Yes.

assistance, and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

3. FAA Sec. 611 (a)(2). If legislative action is required within recipient country, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance? Legislative action is not required within recipient country.
  
4. FAA Sec. 611(b); FY 1988 Continuing Resolution Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq)? (See A.I.D. Handbook 3 for guidelines.) Not applicable.
  
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U. S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? Not applicable.
  
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If No. Project is Guatemala specific in terms of private and public organizations involved and in terms of target group addressed.

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so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

However, methodologies and information from this project will be informally shared with other countries in the Central American Region.

7. FAA Sec. 601(a). Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions

Not applicable.

8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

Project will make use of US public and private sector institutions and U.S. universities in implementing the project.

9. FAA Secs. 612(b), 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

Guatemala is providing a substantial contribution to the project in local currency.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? No.
11. FY 1988 Continuing Resolution Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? Not applicable.
12. FY 1988 Continuing Resolution Sec. 553. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U. S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? Not applicable.

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13. FAA Sec. 119(q)(4)-(6). Will the assistance (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?
- (a) Yes.  
(b) Not applicable.  
(c) In part, through needs assessments and training.  
(d) No.
14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)?
- Not applicable.
15. FY 1988 Continuing Resolution. If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government?
- Not applicable.

16. FY Continuing Resolution Sec. 541. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.?
- Not applicable.
17. FY 1988 Continuing Resolution Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has prior approval of the Appropriations Committees of Congress been obtained?
- Not applicable.
18. FY Continuing Resolution Sec. 515. If deob/reob authority is sought to be exercised in the provision of assistance, are the funds being obligated for the same general purpose, and for countries within the same general region as originally obligated, and have the Appropriations Committees of both Houses of Congress been properly notified?
- Not applicable.
19. State Authorization Sec. 139 (as interpreted by conference report). Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the a-
- Not applicable.

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greement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision).

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance  
Project Criteria

- a. FY 1988 Continuing Resolution Sec. 552 Not applicable.  
(as interpreted by conference report). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities (a) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (b) in support research that is intended primarily to benefit U.S. producers?

- b. FAA Secs. 102(b), 111, 113, 281(a). Describe extent to which activity will (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.
- a. Not applicable.
  - b. Not applicable.
  - c. The training provided under this project will support human resource development to achieve this longer-term goal.
  - d. Not only will women be targeted for participation in training (40%), but training will also focus on creating greater awareness of the role of women in development.
  - e. Not applicable.

- c. FAA Secs. 103, 103A, 104, 105, 106, 120-21. Does the project fit the criteria for the source of funds (functional account) being used? **Yes.**
- d. FAA Sec. 107. Is emphasis placed on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses and small incomes of the poor)? **Not applicable.**
- e. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)? **Yes.**
- f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it **The project will affect institutional capacity only over the longer-term. Training through the Merit and Zamorano Scholarship Programs, funded under this project, will directly benefit social and economically disadvantaged groups.**

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be monitored to ensure that the ultimate beneficiaries are the poor majority?

- g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

The project recognizes the economic necessity and the desire of the people to improve the quality of their lives, will encourage institutional development of the public and private sectors, including PVOs labor unions, and universities. The focus of the project is strengthening Guatemala's democratic process.

- h. FY 1988 Continuing Resolution Sec. 538. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

No.

Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilization.?

NO.

Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part,

No.

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to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

- i. FY 1988 Continuing Resolution. Is the assistance being made available to any organization or program which has been determined to support or participate in the management of a program of coercive abortion or involuntary sterilization? No.
- If assistance is from the population functional account, are any of the funds to be made available to voluntary family planning projects which do not offer, either directly or through referral to or information about access to, a broad range of family planning methods and services? Not applicable.
- j. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes.
- k. FY 1988 Continuing Resolution. What portion of the funds will be available only for activities of economically and socially disadvantage enter- To be determined. Gray Amendment organizations will be given strong consideration in the procurement of services.

prises, historically black colleges and universities, colleges and universities having a student body in which more than 20 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

1. FAA Sec. 118 (c). Does the assistance comply with the environmental procedures set forth in A.I.D. regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (a) stress the importance of conserving and sustainably managing forest resources; (b) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (c) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (d) help and destructive slash-and-burn

Not applicable. This project qualifies for a categorical exclusion as described in Section 216.2 of AID Regulation 16 since it is a program involving training.

griculture by supporting stable and productive farming practices; (e) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (f) conserve forested watersheds and rehabilitate those which have been deforested; (g) support and training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (h) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (i) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (j) seek to increase the awareness of U.S. government agencies and other donors of the immediate and long-term value of tropical forests; and (k) / utilize the resources and abilities of all relevant U.S. government agencies?

- m. FAA Sec. 118 (c) (13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project (a) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (b) take full account of the environmental impacts of the proposed activities on biological diversity? Not applicable.
- n. FAA Sec. 118 (c) (14). Will assistance be used for (a) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (b) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas? No.

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- o. FAA Sec. 118 (c) (15). Will assistance be used for (a) activities which would result in the conversion of forest lands to the rearing of livestock; (b) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands; (c) the colonization of forest lands; or (d) the construction of dams or other water control structures which flood relatively undegraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?
- p. FY 1988 Continuing Resolution If assistance will come from the Sub-Saharan Africa DA account, is it (a) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is
- No.
- Not applicable.

equitable, participatory, environmentally sustainable, and self-reliant; (b) being provided in accordance with the policies contained in section 102 of the FAA; (c) being provided, when consistent with the objectives such assistance, through African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (d) being used to help overcome shorter-term constraints to long-term development, to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take into account, in assisted policy reforms, the

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need to protect vulnerable groups; (e) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics specially to those outside the formal education system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

2. DEVELOPMENT ASSISTANCE PROJECT  
CRITERIA (LOANS ONLY)

Not applicable.

- a. FAA Sec. 122 (b). Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.
- b. FAA Sec. 620 (d) If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?
- c. FY 1988 Continuing Resolution. If for a loan to a private sector institution from funds made available to carry out the provisions of FAA Sections 103 through 106, will loan be provided, to the maximum extent practicable, at or near the prevailing interest rate paid on Treasury obligations of similar maturity at the time of obligating such funds?
- d. FAA Sec. 122 (b). Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

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3. Economic Support Fund Project Criteria

- a. FAA Sec. 531 (a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA? Yes.
  
- b. FAA Sec. 531 (e). Will this assistance be used for military or paramilitary purposes? No.
  
- c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? Not applicable.

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## ANNEX 5

### CONTRACTING OPTIONS

Several options regarding in-country project management were reviewed before the project committee decided to select the option of contracting a local institution to provide and coordinate Guatemala training with USAID/G and in-country institutions and to provide all in-country project management responsibilities. The options described below are based on the assumption that PIET will be contracted for U.S.-based training. Following, is a list of options including advantages and disadvantages as seen by the project committee:

#### OPTION 1: CONTRACTING A LOCAL TRAINING INSTITUTION

##### Advantages:

- local staff already in place;
- Socio-economic situation of Guatemala well known;
- Contacts within the high levels of the public and private sectors in place;
- Ready knowledge of in-country training organizations;
- Will insure consistency in training programs;
- Represents neutral ground;
- Prior training experience working with the public and private sectors; and
- least costly

##### Disadvantages:

- lack of experience in AID reporting requirements.
- one institution lacks content broadness, several dilutes consistency;
- services may be obtained more cheaply by using sector-related institutions;
- use of a non-content institution severely damages the counterpart relationship between the U.S. institution and the local counterpart institution.

#### OPTION 2: CONTRACTING A PSC

##### Advantages:

- Continued close contact with USAID/G;
- Prior experience and expertise in project training areas;
- Prior experience in U.S. training network;
- Prior experience in AID reporting requirements; and
- Decreased demand on Mission staff.

**Disadvantages**

- Cost/time to familiarize oneself with the present socio-economic situation of Guatemala;
- Cost/time for generating contacts within the high levels of the public and private sectors;
- Cost/time to familiarize oneself and generate contacts within the in-country training organizations;
- working with various local training institutions, their will be an inconsistency in the quality of different training activities;
- trainee perception of training institution effects overall success of training program (prestige of the institution will attract or detract from the participation of trainees representing the different sectors).

**OPTION 3: CONTRACTING A PSC TO WORK WITH A LOCAL INSTITUTION**

**Advantages:**

- combined advantages of Options 1 and 2

**Disadvantages:**

- increased cost relative to the marginal increase in advantages by the addition of a PSC.

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