

PD-ABA-479

61807



USAID GUATEMALA



AGENCY FOR INTERNATIONAL DEVELOPMENT  
UNITED STATES A. I. D. MISSION TO GUATEMALA

USAID GUATEMALA or c/o American Embassy  
APO M.I.A.M. 34024 Guatemala, City, Guatemala, C.A.

Telephones: 36635253, 366378, 321739, 366309  
Telex: 3110 USAID GU  
Fax: 365346, 311130

January 11, 1990

GUATEMALAN DEVELOPMENT FOUNDATION  
-FUNDESA-

Ruta 6, 9-21, Zona 4  
Edificio Camara de Industria  
01004 Guatemala, C. A.

Subject: Grant No. 520-0384-G-00-0264-00

Gentlemen:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or USAID) hereby provides to Guatemalan Development Foundation (hereinafter referred to as "FUNDESA" or "Recipient"), the sum of Fifty Six Thousand Two Hundred Fifty US Dollars (US\$56,250), to support pilot phase of Project Chile as described in Attachment 1 of this Agreement, entitled "Schedule", and Attachment 2, entitled "Program Description."

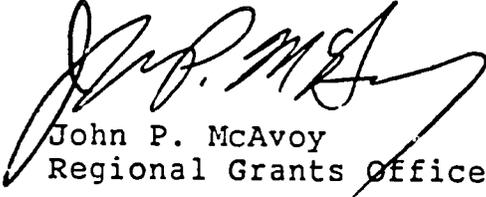
This Grant is effective and obligation is made as of the date of this letter, and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending March 20, 1990.

This Grant is made with FUNDESA on the condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment 1, entitled "Schedule." Attachment 2, entitled "Program Description," and Attachment 3, entitled "Standard Provisions for Non-US, Non-Governmental Grantees," which have been agreed to by your organization.

...2

Please sign the original and six (6) copies of the letter to acknowledge your receipt of this Agreement and return the original and five (5) copies to the USAID/Guatemala, Attention: Regional Contracts Office.

Sincerely,

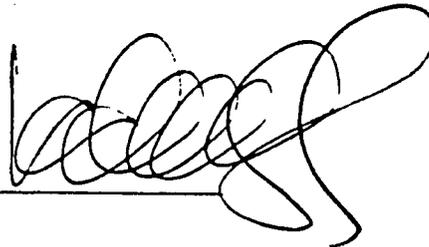
  
John P. McAvoy  
Regional Grants Officer

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions, Non US Non-Governmental Grantees.

ACKNOWLEDGED:

By: Juan Carlos Chaves



Title: Executive Director

Date: 12/1/90

Appropriation No.:	72-1191021
Budget Plan Code:	LDEA-89-25520-KG13
PIO/T No.:	520-0384-3-80508
Project No.:	520-0384
Total Estimated Amount:	\$56,250
Total Obligated Amount:	\$56,250

(4761G)1rm

- 11'

ATTACHMENT NO. 1

SCHEDULE

A. Purpose of Grant

The Purpose of this grant with FUNDESA is to support pilot phase of Project Chile, in order to expose recognized leaders from key Guatemalan sectors to the policies and programs causing the outstanding social and economic changes in Chile. This first hand experience should allow them to understand the lessons learned by the Chilean process and how could these lessons be applied to accelerate Guatemalan economic development.

B. Period of Grant:

The effective date of this Grant is the date of the Grant Cover letter. The expiration date of this Grant is March 20, 1990.

C. Amount of Agreement and Payment:

1. The total estimated amount of this Agreement for the period shown in B., above, is FIFTY SIX THOUSAND TWO HUNDRED FIFTY US DOLLARS (US\$56,250).

2. Payment shall be made to the Recipient in accordance with procedures set forth in Attachment 3, Optional Standard Provision No. 1, entitled "Payment - Cost Reimbursement".

D. Financial Plan

The Financial Plan for this Grant is shown as Exhibit A to Attachment No. 1. Revisions to this Plan shall be made in accordance with the Standard Provision of this Grant "Revision of Grant Budget". The Financial Plan is illustrative in nature. The Recipient can adjust individual cost lines by a factor not to exceed 15%. Any adjustment exceeding 15% or any increase in the total Grant amount requires the prior written approval of the Regional Grant Officer.

E. Special Provisions

The Grant Officer's Technical Representative (GOTR) for the performance of this Grant is the Director, USAID/Guatemala, or his designee. This individual shall have the following authority:

1. Certification of work performed on all vouchers submitted.
2. Necessary clarifications of, or minor, non- cost-related adjustments to, the program description in Attachment 2.
3. Approval of all reports, plans, timetables or other such technical submissions required under the Program Description.

F. Reporting

A final report will be submitted by FUNDESA not later than 20 workdays after the trip has been completed. The report will include:

1. A description of selection criteria for the conformance of the group;
2. A listing of all the names and a summary curriculum vitae;
3. A description of places and persons met;
4. A listing of conferences attended;
5. A summary of the salient points of the visit, and identification of the value and intended results from the activity.

These results must be identifiable in terms of improved multisectoral dialogue, press coverage and new strengthened policy initiatives.

G. Authorized Geographic Code

The authorized Geographic Code for procurement of goods and services shall be in accordance with Provision 6 of the Optional Standard Provisions.

(4761G/20)1rm

4

ILLUSTRATIVE BUDGET

<u>Line Item</u>	<u>Amount</u>
<u>Per Diem</u>	
01/13/90 US\$25.25 X 25 persons US\$637.50	
01/14/90 US\$92.50 X 25 persons US\$2,312.50	
01/15/90 through 01/20/90	
US\$110.00 X 5 days X 25 persons US\$13,750.00	\$16,700
<u>Transportation</u>	
Taxis in Guatemala and Santiago	
Chile US\$200.00 X 25 persons	5,000
<u>Insurance</u>	
US\$60.00 X 25 persons	1,500
<u>Conferences</u>	
US\$800.00 X 25 persons	20,000
<u>Documents and Books</u>	
(Necessary to follow-up actions back in country)	
US\$270.00 X 25 persons	6,750
<u>Miscellaneous</u>	
Collective transportation and logistics	
(necessary to coordinate activities)	
US\$252.00 X 25 persons	<u>6,300</u>
T O T A L	\$56,250 =====
<u>Counterpart Contribution</u>	
Logistics and Administration	\$25,000
<u>Trip Costs</u>	
US\$3,750.00 X 12 persons	<u>45,000</u>
T O T A L	\$70,000 =====

## ATTACHMENT NO. 2

### PROGRAM DESCRIPTION

#### I. Introduction

The Guatemalan Development Foundation (FUNDESA) is a private, non-political and non-profit organization, created in 1984 by progressive entrepreneurs to improve Guatemala's international image and to attract investments and trade.

Through its activities, FUNDESA has gained credibility, prestige and influence in the national and international private and public sectors. FUNDESA's activities have evolved to meet the drastic changes taking place in Guatemala, primarily those needed to strengthen the nascent democratic process.

A leading FUNDESA objective is to facilitate constructive policy dialogues among different sectors in Guatemala. This objective seeks to foster the investment and employment environment required to accelerate economic growth and an equitable access to the means of production. To capitalize on the relationship established with nations around the world in pursuing this objective, FUNDESA launched the "Southeast Asia" Project (SEAP).

SEAP sponsored a visit to Taiwan, Hong-Kong, Canton, China, and South Korea by a multisectoral delegation during March, 1989. Many participants changed their perceptions about the fundamental issues of development. This experience was instrumental in gaining broad support for the recent liberalization of interest rates, exchange rates and capital markets.

The positive experience gained from SEAP and the economic success taking place in Chile lead to the design of "Proyecto Chile" (Project Chile). FUNDESA, however, decided to wait until the transition from dictatorship to democracy was more advanced in that country. After the recent elections in Chile, FUNDESA has decided to implement this activity immediately. Any delay will miss the actual transitional process in the democratization of the only economic success of Latin America.

#### II. Objective

To expose recognized leaders from key Guatemalan sectors to the policies and programs causing the outstanding social and economic changes in Chile. This first hand experience should allow them to

understand the lessons learned by the Chilean process and how could these lessons be applied to accelerate Guatemalan economic development.

III. Activities

1. Discussions with key decision makers in Chile. The most important output will be the interaction among Guatemalans themselves.
2. Identify innovative solutions in different fields, successfully implemented in Chile, that could be adapted to Guatemalan conditions.

IV. Description

The first phase of this project consists of exposing a delegation of 34 individuals from different sectors to the Chilean system. This delegation would be comformed as follows:

<u>Sector</u>	<u>Number of Individuals</u>
Politicians	5
Press	5
Union leaders	3
Public Sector/ Central Government and Parastatals	6
Academicicians	3
Entrepreneurs*	10
FUNDESA support staff	2
Persons invited by FUNDESA*	<u>3</u>
TOTAL	37

\* Cost will be financed by the private sector; only one person from private sector will be financed by grant funds.

The objective of this visit would be to analyze the factors which made possible the accelerated Chilean economic growth in recent years.

. ^

The program is based around a whole week in Santiago, Chile from January 15 to January 21 of 1990. The delegation will leave Guatemala for Santiago, on January 13 and depart Chile on the 21 to arrive in Guatemala on the 22nd.

Discussions with key decision makers and entrepreneurs from different sectors in Santiago, form the programatic basis. The delegation will also visit port facilities, agroindustrial centers, and related field activities.

If the outcome of this pilot activity warrants it, the second phase of the project would be twofold: 1) New visits by delegations formed by a specific sector with a specific interest, and 2) Implement activities in Guatemala on specific subjects of the Chilean experience with the participation of outstanding Chilean personalities, selected and identified in the first trip.

The second phase depends directly on the results of the first. This Grant only funds the pilot phase.

#### V. Logistics

Based on the experience in SEAP, all the coordination and logistic of this project will be implemented by FUNDESA.

To implement the pilot phase, FUNDESA named Licenciado Juan Francisto Reyes Lopez, trip coordinator.

#### VI. Funding Source

This activity will be funded by the "Fostering Public and Private Sector Dialogue" component of the Development Training and Support Project (520-0384).

(4761G/18)1rm

2