

I. PROJECT IDENTIFICATION

1. PROJECT TITLE

SIECA INSTITUTIONAL ASSISTANCE
596-11-755-040

APPENDIX ATTACHED

YES NO

2. PROJECT NO. (M.O. 1025.1)

596-11-755-040

3. RECIPIENT (specify)

COUNTRY

REGIONAL SIECA

INTERREGIONAL

72

74

4. PERIOD

5. PERIOD

6. PERIOD

7. PERIOD

II. FUNDING (\$000) AND MAN MONTHS (MM) REQUIREMENTS

A. FUNDING BY FISCAL YEAR	B. TOTAL \$	C. PERSONNEL		D. PARTICIPANTS		E. COMMODITIES \$	F. OTHER COSTS \$	G. PASA CREDIT		H. LOCAL EXCHANGE CURRENCY RATE (U.S. OWNED)		I. BUDGET
		(1) \$	(2) MM	(1) \$	(2) MM			(1) \$	(2) MM	1. GRANT LOAN	2. COUNTRY	
1. PRIOR THRU ACTUAL FY	663*					8*	655*					Unspecif.
2. OPRN FY 72	346	188	114	12	18	2	144	194	14			910 (CY72)
3. BUDGET FY 73	330	181	108	12	18	2	135	187	108			910 (CY73 est)
4. BUDGET +1 FY 74	295	158	78	12	18	2	123	164	78			910 (CY73 est)
5. BUDGET +2 FY												
6. BUDGET +3 FY												
7. ALL SUBQ. FY												
8. GRAND TOTAL	971	527	300	36	54	6	402	545	300			2,730

9. OTHER DONOR CONTRIBUTIONS

NAME OF DONOR
IDB, OAS, UN, CABEI,
W. German Gvt.

(B) KIND OF GOODS SERVICES

Technical assistance, studies and staff support

(C) AMOUNT

\$1,419 (\$473 in each of 3 yrs.)

III. ORIGINATING OFFICE CLEARANCE

1. DRAFTER

Paul Montavon

TITLE

Economic Advisor

DATE

2. CLEARANCE OFFICER

TITLE

DATE

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL

2. CLEARANCES

BUR/OFF.	SIGNATURE	DATE	BUR/OFF.	SIGNATURE	DATE

APPROVAL AAs OR OFFICE DIRECTORS

3. SIGNATURE

DATE

4. APPROVAL A AID (See M.O. 1025.1 VTC)

SIGNATURE

DATE

TITLE

ADMINISTRATOR AGENCY FOR INTERNATIONAL DEVELOPMENT

*Total for all predecessor projects with SIECA; non-add with present project.

AID 1025-1A (Narrative Description)

Project No. 596-11-755-040 Submission Original Revision Date 3/2/72 Page 2 of 16 Pages

A. Project Goal

1. The major objective or long run goal to which this project contributes is the development of an integrated economic community by the Central American signatory countries of the General Treaty for Economic Integration. This Central American objective is one which U.S. policy has considered to be of high priority in the region, and one which has received significant support in the form of loans and grants through the U.S. foreign assistance program. The task of building an economic community out of five small national states is a long and difficult one. The Central American effort is in its relatively early stages. Nevertheless, noteworthy progress has been made in establishing a Common Market, developing a regional road and communications system, and creating a complex of effective regional institutions such as the Central American Bank, the Permanent Secretariat, the Institute for Industrial and Technological Research, the Institute for Public Administration, and many others. As a consequence of these efforts intra-regional trade has expanded dramatically, the industrial base has been strengthened significantly, and the development potential of all the member countries markedly improved.

The process of economic integration involves inherent political and economic problems and Central America has had its share of these adversities. By far the most serious has been the disruption of the process of integration that has come as the result of an armed conflict between two of the members in July of 1969. The break in diplomatic and economic relations between the two countries has made the principal policy-making and administrative-decision-making organisms of the regional system inoperative. Thus, while there is widespread and increasing recognition that the welfare of all depends heavily on a resumption of the integration process, no formula has as yet been found to revive the full functioning of the regional institutional system. However, at the level of ideals and long term objectives there has been no retreat from the major goal. Even Honduras, which

has expressed deep dissatisfaction with some of the consequences of the integration process, has consistently recognized that its own interest, as well as that of the other countries, lies in perfecting the integration system and fashioning the necessary additional elements of an integrated economic community.

2. Measures of Goal Achievement. A complete description of all the characteristics of an economic community would be a lengthy undertaking. The essential elements, however, are: 1) a Common Market or trading area within which there is a relatively free flow of goods and services and of productive resources; 2) a Customs Union characterized by a uniform and regionally administered external tariff with an agreed upon system for distributing the customs revenues among the members of the customs union; 3) a Monetary Union with a common currency that is accepted at face value and without discount in all the member countries; 4) a set of regionally coordinated development policies in the major sectors; and 5) a complex of technically competent regional institutions along with a system of financing them which provides adequate resources in a timely fashion.

3. Basic Assumptions. An economic community in this sense implies that the constituent members have agreed to grant to the regional institutions a part of their own sovereignty of decision making in important areas and sectors of the regional system. It is therefore implicitly assumed that the national governments will develop the disposition and willingness to cede some part of their sovereignty in order to participate in the benefits obtainable under a regional system. It is further assumed that there already exists sufficient private sector and governmental support and commitment to the objective that the member countries will not revoke their decision to construct a regional economic community. Consequently, they will not abrogate the General Treaty nor will they disassemble the regional institutional system which has already been built. With reference to the current crisis in the Common Market and the effective withdrawal of Honduras from the regional system, it is assumed that the problem is a temporary one and that Honduras will eventually be fully re-incorporated in the regional system.

B. Project Purpose

1. The specific and immediate purpose of the project is to strengthen the technical capacity of the Permanent Secretariat for

Central American Economic Integration (SIECA), to enhance its regional and international prestige, and to achieve a greater recognition on the part of national governments and institutions of SIECA's strategic role in the integration process and thereby generate a higher level of political and financial support in the region for the work of SIECA. As the Secretariat of the Economic Council, and of the Executive Council, SIECA is the principal institutional mechanism for implementing and applying the regional treaties, protocols, agreements, and regulations, and for developing the appropriate policy instruments for the progressive realization of the goal.

A technically strong Secretariat is therefore a necessary condition for achieving and administering a regionally integrated economic system. SIECA finds itself in a difficult position because of the uncertainties and problems that have arisen from the conflict between El Salvador and Honduras in July 1969. Since the war the Economic and Executive Councils have been unable to function. As a consequence, it has not been possible to name a Secretary General to fill the position vacated in early 1971 by the resignation of the former incumbent. Neither has it been possible to present the problem of adequate Central American financing of SIECA for consideration and appropriate decision by the Council. Even if the Councils were to meet, it is extremely unlikely that a fully satisfactory solution of SIECA's financial problems could be reached until the bases for a restructuring of the Common Market are agreed upon. As long as this situation prevails, the ability of SIECA to maintain its staff and carry out its responsibilities will depend to a considerable extent on the willingness of the external assistance agencies to provide temporary financial and technical assistance. This PROP is, therefore, focused on the period FY 72 - FY 74 with the idea that it will be subjected to Mission review and possible revision at the end of that period or at such time as significant changes occur in the integration process in Central America.

SIECA's problems are complicated by the fact that the efforts to restore the Central American Common Market to normal functioning and to carry forward the integration movement have put increased demands on SIECA without providing additional resources to meet these demands. Thus a vicious circle is created. SIECA's financial problems cannot be solved until the decision-making institutions begin to function again; but the continued ability of SIECA to perform its functions is absolutely essential to the restoration of the Common Market and the reactivation of the decision-making institutions.

d

The project therefore aims at increasing the technical capacity of SIECA to assist national and regional institutions and national governments in the implementation of existing treaties, protocols, and agreements and to develop the policy recommendations and policy instruments which are required for reviving and perfecting the regional system.

2. The purpose of the project will have been achieved when:
1) SIECA has developed the basic staff capable of undertaking the broad range of technical studies required to meet its responsibilities; 2) the high quality of these studies is recognized by the regional institutions, national governments, and international agencies; 3) the Secretariat's advice and guidance is sought by national governments and institutions; 4) the Secretariat is regarded as a useful model for the integration efforts of other areas in the hemisphere; and 5) scholars, universities, and research institutions cooperate in the work of the Secretariat. We believe it is possible with the AID assistance proposed in this paper and with the continued assistance of other external agencies to make considerable progress in bringing about these conditions during FY 72 - FY 74.

3. Important Assumptions. One of the fundamental assumptions made here is that the prestige and effectiveness of the Secretariat is basically a function of the technical quality of its output. More specifically, technical quality is a necessary but not a sufficient condition for enhancing the prestige and effectiveness of the institution. SIECA's ability to get its program and policy recommendations accepted and put into operation will also depend on a return to normal functioning by the regional decision making bodies and the appointment of a new Secretary General who, in addition to having technical expertise, must be possessed of considerable political skills, diplomatic ability, and persuasiveness. However, without a technically qualified staff, SIECA cannot achieve the desired stature regardless of the other favorable conditions which may exist.

A second assumption is that the willingness of the national governments to provide adequate resources to SIECA will depend in large measure on SIECA's demonstrated ability to provide high quality technical assistance and support to the Central American integration efforts. There is adequate evidence in the history of SIECA to support the validity of this assumption. SIECA's principal source of financial support has been the contributions (quotas) of the national governments. In

5

the three years prior to the July 1969 conflict, SIECA had obtained annual increases in these quotas and contributions. Thus the quota which was \$100,000 per country in 1967 was increased to \$120,000 in 1968 and to \$180,000 in 1969. SIECA is thus able, at the present rate of country contributions (\$900,000) and with the very small amount of income which the Secretariat itself generates (\$10,000) to meet 52.5% of its estimated budgetary requirements for the current operational year.

Unlike some of the other regional organizations, SIECA has generally not experienced long delays in the payment of the country contributions, despite the problems that have arisen since the El Salvador-Honduras war. When delays have occurred they have been **attributable** principally to stringent financial circumstances of certain national governments rather than to a reluctance to finance SIECA activities. Based on this history, it is reasonable to suppose that as SIECA continues to demonstrate an increasing technical capacity to respond to the demands put upon it by regional and national bodies, the national governments will be willing to provide additional resources to finance these activities.

The third assumption recognizes the fact that at this time it is not possible to get a regional action on the problem of SIECA's finances. The assumption therefore is that the international assistance agencies, whose support in the past has been very important in enabling SIECA to attain the level of technical competence which it already enjoys, will continue to provide adequate financial and technical assistance to the Secretariat to enable it to survive the present crisis, and will continue such financing beyond the immediate period of crisis to the extent it is found to be necessary. For the current operational year, 27.5% of SIECA's budgetary requirements are expected to derive from international assistance agencies other than AID/ROCAP, i.e., a total of \$473,000 from the following donors in descending order of magnitude of contribution: IDB, OAS, UN, CABEL, and the Government of West Germany.

C. Project Outputs

1. Outputs and Output Indicators. As indicated in the statement of project purpose, the aim of this project is to increase the technical capacity of SIECA and thereby enable it to provide a high quality of technical support to the regional bodies and national institutions under the assumption that the recognized excellence of SIECA will create favorable conditions for obtaining a higher level of Central American support for SIECA when the decision making regional bodies resume their functions.

The project outputs are, therefore, basically of two types: 1) those that aim directly at increasing the technical capacity of SIECA; and 2) those that aim at enhancing the stature and recognition of SIECA as a highly effective institution for advancing the process of Central American integration.

To increase the technical capacity of SIECA the project seeks to bring about an increase in the number of trained personnel. Specifically, there are four important departments in SIECA without department heads. The project, therefore, seeks to develop four persons from the SIECA staff who will be capable of filling these positions. Participant training of additional members of SIECA staff will be undertaken as needs are identified and as training opportunities develop. It is also anticipated that further upgrading of personnel will result from the assignment of SIECA staff to work closely with the research persons to be provided under a proposed contract with a highly competent U.S. research institution.

To enhance the prestige and recognition of SIECA, the project emphasizes high quality output in the areas of applied research on policy issues and implementation problems as the basis for theoretically sound policy recommendations which will improve and advance the regional integration system. SIECA will also design technically valid programs for implementation of regional agreements and for improving existing policy instruments and devising new ones as appropriate. Finally, SIECA will provide technical assistance and advice to national governments and institutions in the implementation of regional programs.

In outline form, the outputs and output indicators may be summarized as follows:

Output

Trained personnel.

High quality research on policy questions and implementation problems.

Output Indicator

SIECA personnel trained for key positions by FY 1974. SIECA personnel working closely with foreign experts and consultants.

Highly competent U.S. institution under contract and research studies completed or in progress on basic policy issues and implementation problems.

Output

Output Indicator

Theoretically sound policy recommendations for improving and advancing the system of regional integration.

New and improved instruments for effectuating regional policies.

Technically valid and politically feasible programs for implementation of existing regional agreements.

Technical advice and assistance to national governments and regional and national institutions.

Recommendations formally presented to and acted upon by appropriate regional bodies.

Programs being implemented in a coordinated and harmonious way by national governments and institutions.

SIECA technicians working closely with national governments and institutions on implementation problems.

The outline, of course, fails to make clear the wide range of policy issues and implementation problems with which SIECA must deal. To specify these issues and problems more concretely it is advisable to set down in an illustrative way some of the specific questions to be treated. Naturally, such a classification may generate the impression of some overlap of topics since sound analysis and research is the basis for making policy recommendations and devising feasible implementation programs. Nevertheless, the classification is useful in giving a more precise picture of some of the work that SIECA will be performing.

a) Research on basic policy issues and implementation problems:

- i. Evaluation of the Integration Industries Agreement.
- ii. Evaluation of the "Special System for Promoting Productive Activities."
- iii. Criteria for revision of regional tariff schedule.
- iv. Criteria for a regional industrial development policy.
- v. In depth analysis of potential for expansion of specific manufacturing industries.

b) Implementation Programs:

- i. Five country implementation of the Limón Protocol (Basic Grains).
- ii. Implementation of the protocol on the Milk Industry.
- iii. Uniform application of the Fiscal Incentives Agreement.
- iv. Analysis of the correspondence between the Central American Tariff Nomenclature and the Brussels Tariff Nomenclature to permit conversion to BTN.
- v. Regional program for production and marketing of selected agricultural commodities.

c) New and Improved Policy Instruments:

- i. Revision of the Uniform External Tariff.
- ii. Modification, as appropriate, of the Regional Fiscal Incentives Agreement.
- iii. Mechanism to provide flexibility in the administration of the tariff system.
- iv. Recommendations for a Regional Monetary Agreement.

d) Technical Assistance and Advice to National Governments:

- i. Coordinated regional system of road maintenance and publication of a maintenance manual.
- ii. Assistance to national governments in project development.
- iii. Technical studies in support of national export promotion institutions and coordination of export promotion activities.
- iv. Assistance in improving statistics; publication of regional economic indicators.

2. Basic Assumptions. The basic assumptions that are relevant to the realization of the desired outputs are: 1) that SIECA will be able to release staff members for the required periods of training and will assign them to positions of responsibility upon completion of training; 2) that SIECA will seek to maximize the on-the-job training effect by assigning staff to work closely with contracted experts; 3) that SIECA's energies and capabilities will not be dissipated by excessive demands of the regional bodies on the limited staff; and 4) that national governments need and want SIECA assistance on the implementation of regional agreements.

B. Project Inputs

1. To achieve the desired outputs the required and planned inputs are:

a) On the part of the U.S.

- i. Participant training.
- ii. Highly qualified research persons.
- iii. Expert consultants.
- iv. Other costs in support of project purposes.

b) On the part of SIECA.

- i. Expert consultants.
- ii. On the job training.
- iii. Technical staff and facilities.

c) On the part of other donors.

- i. Qualified technicians.
- ii. Funds for staff support.
- iii. Contracts for specific studies.

2. Budget

Total budgetary requirements for SIECA operations in calendar year 1972 will amount to \$1,729,000. Fifty-two and one half percent of this requirement will be met from SIECA's own financial resources, 27½ from international assistance donors other than ROCAP, and 20% from ROCAP. ROCAP's assistance will be divided fairly equally among SIECA's various operations, varying from \$54,000 to \$85,000 in each of five principal sectors of concentration. In absolute terms, ROCAP's contribution will be largest in the more costly of SIECA's operations, i.e., \$85,000 for Trade Expansion (involving both inter-and intra-regional exports) and \$78,000 for industrial development; in relation to other sources of financing, however, ROCAP's contribution will be relatively small, i.e., 23% of total cost in each of these sectors. With slightly less amounts of funds, \$67,000 for agricultural development and \$62,000 for infrastructure, ROCAP will pick up a higher percentage of the cost for these important activities, i.e., 30% and 37%, respectively. ROCAP's smallest contribution, i.e., \$54,000, will be in a specially designed activity for the development of statistics upon which the other four sectors are dependent. This sub-project will be financed jointly by SIECA and ROCAP approximately 50 - 50.

SIECA's

The CY 1972 SIECA budget showing funds from all sources and classified by major areas of activity is shown in Table A below. It is estimated that budgetary requirements for CY's 1973 and 1974 will be roughly the same as that required for CY 1972.

By reorienting ROCAP's participation in the SIECA program and concentrating inputs in activities requiring U.S. contract study and research capabilities and local contractor expertise, ROCAP funding will be shifted from essentially 100% budgetary support to 60% total funding in the "Contract" and "Participants" elements of ROCAP's contribution. (See Table B). This percentage will be held constant over the life of the project as outlined in this PROP, even as ROCAP's funding decreases in each of the three fiscal years covered in the PROP. This favorable ratio of "Contract/Participant" costs to "Other Costs" holds true in each of the sectors of concentration, where the percentage of funding for contracts and participants will increase in each sector from one fiscal year to the next. It should be pointed out that 100% of the vital statistical sub-project will be funded under contract from the very beginning of the activity.

3. Assumptions.

The ability to provide the planned inputs as scheduled depends on the following assumptions: 1) that the Project Paper (PROP) will be expeditiously approved by AID/W; 2) that an acceptable research contract with a prestigious U.S. research institution can be finalized before the end of FY 1972; 3) that SIECA will not be compelled by budgetary pressures to make unreasonable reductions in staff; 4) that other donors are willing to provide technical assistance and support at the approximate levels of recent years; and 5) that properly qualified experts and consultants are available as needed.

TABLE A

CY 1972 SIECA OPERATIONAL BUDGET

	(5000)									%
	Total	SIECA	ROCAP	Total Other	Other					
				CABEX	IDB	OAS	UN	German		
Management & Administration	524	505	-	19		19				-
Trade Expansion	367	129	85	153	78	-	75			23
Industrial Development	341	83	78	180		10	45	100	25	23
Agricultural Development	222	86	67	69		69				30
Infrastructure	168	54	62	52		52				37
Statistics	107	53	54	-		-				50
	1729	910	346	473	78	150*	120	100	25	20

*Not including special IDB-financed studies

ELEMENTS OF ROCAP FINANCING

	(\$000)				%		
	Total ROCAP Funding	Local Cont.	U.S. Cent	Part.	Total Non-Other Costs	Other Costs	Non-O.C. %
FY-72 Management & Administration	-	-	-	-	-	-	-
Trade Expansion	85	-	37	3	40	45	47
Industrial Development	78	12	32	3	47	31	60
Agricultural Development	67	12	21	3	36	31	54
Infrastructure	62	12	14	3	29	33	47
Statistics	54	50	4	-	54	-	100
	<u>346</u>	<u>86</u>	<u>108</u>	<u>12</u>	<u>206</u>	<u>140</u>	<u>60</u>
FY-73 Trade Expansion	83	-	39	3	42	41	51
Industrial Development	78	12	34	3	49	29	63
Agricultural Development	68	12	23	3	38	30	56
Infrastructure	62	12	16	3	31	31	50
Statistics	39	35	4	-	39	-	100
	<u>330</u>	<u>71</u>	<u>116</u>	<u>12</u>	<u>199</u>	<u>131</u>	<u>60</u>
FY-74 Trade Expansion	84	-	43	3	46	38	55
Industrial Development	79	12	38	3	53	26	67
Agricultural Development	69	12	27	3	42	27	61
Infrastructure	63	12	20	3	35	28	56
Statistics							
	<u>295</u>	<u>36</u>	<u>128</u>	<u>12</u>	<u>176</u>	<u>119</u>	<u>60</u>
	<u>971</u>						

E. Rationale

The process of shaping a regional economic community out of five national economies is inherently slow and complex. For this reason the project goal which has been identified in this paper is far removed in time from the project purpose. The specific statement of project purpose takes into full account the fact that, since mid-1969, the integration process in Central America has been at a virtual standstill as a result of the armed conflict between El Salvador and Honduras, both of whom are signatories of the General Treaty for Central American Economic Integration. As a result of this conflict, the regional decision making institutions which were created by the General Treaty have been unable to function normally. Moreover, the numerous attempts to restore the Common Market to normal functioning have, so far, not been fruitful.

The adverse effects of the disruption have been felt by all the member countries. Until the process is resumed development prospects of the countries will remain dim. However, this experience appears to have had some educational value. It is now more widely and clearly recognized that, to overcome the problems which the integration effort has generated up to this point, what is needed is a broadening of the scope and a quickening of the pace of integration. It is also recognized that there have been serious institutional weaknesses in the regional system which will have to be remedied.

The practical significance of this state of affairs is that, as far as the two main functions of SIECA are concerned, and given the institutional structure of the regional system, little progress can be made on new integration fronts until the Economic and Executive Councils resume their normal functioning. Nevertheless, SIECA must be prepared, when normal functioning is resumed, to come forward with new policy recommendations and appropriate policy instruments. Thus SIECA's technical capacity to perform this function must be maintained. Meanwhile, it is possible, by concentrating on the implementation of already existing regional agreements and protocols, to generate important integration benefits in all of the countries in strategic sectors of their economies.

Considering the two basic functions of SIECA, AID/ROCAP has collaborated closely with representatives of the Inter American Development Bank (IDB), to assure that both of these functions will

14

receive adequate support. In joint meetings with representatives of IDB and officials of SIECA an understanding has been reached as to the sectors which will receive priority attention, and as to the specific sub-programs for which the assistance of IDB and AID will be used. The result is a program of assistance to SIECA in which the support of IDB and of AID is mutually consistent and reinforcing, and which takes account of the inputs of other donors such as the United Nations, the Organization of American States, and the Central American States, and the Central American Bank for Economic Integration. In general, IDB resources will concentrate on longer term regional development problems and programs. Meanwhile, this PROP is recommending a level and type of AID support to SIECA for FY 72 - FY 74 which will, on the one hand, strengthen the technical capacity of the institution and at the same time sustain some forward progress of the integration movement in those areas where decisions have already been made by the regional councils and where the basic problem of the moment is that of regional implementation.

The reasons for concentrating AID assistance on this type of SIECA activity are several. In the first place, as suggested above, this is the area in which integration benefits can be realized even under the conditions now existing in the Common Market; secondly, the benefits can be obtained by all countries and will be widely distributed; thirdly, in the process of implementing existing regional programs, the deficiencies of existing regional agreements and policy instruments are likely to be uncovered; finally, though not least important, a good performance by SIECA in this sphere will enhance its reputation and should generate increased willingness of the governments to provide additional resources to SIECA in the future.

Meanwhile, the assistance of the other donors will tend to concentrate on specific problems of the longer term development of the region while the longer term design of AID assistance is on the permanent institutional effect which strengthening the technical capacity of SIECA as an institution will have. Thus the AID assistance proposed, while focusing on the short term obtainable results, does not overlook the longer term importance of a strong SIECA to the integration movement. For this reason, the AID program places heavy emphasis on increasing the technical strength of SIECA by providing highly qualified contract technical expertise, and by participant and on the job training.

The AID assistance proposed fully recognizes the juridical and political difficulties of reviving the Common Market, reestablishing its institutional functioning, and proceeding to improve, restructure, and extend the integration movement. It therefore makes no assumptions or predictions about when the regional institutional system can be expected to return to normal functioning.

15

The rationale of AID assistance to SIECA, as indicated at the outset of this presentation, rests on the premise that the Central American commitment to the integration process is a permanent one. A technically strong SIECA is essential to the realization of this goal. This objective is of high priority in the realm of U.S. interests in the area. Therefore, the Secretariat warrants the continued financial and technical assistance of AID and of the other international assistance agencies.

F. Course of Action

Once PROP approval has been received, ROCAP will negotiate a project agreement with SIECA detailing the specific subprograms and activities to be undertaken in the agreed upon sectors. ROCAP will also encourage and assist SIECA to proceed immediately to the selection of two candidates for participant training in FY 73 and will issue appropriate PIO/T's.

ROCAP and SIECA have begun preliminary discussions on a research contract with a U.S. institution and several possible institutions have been identified. ROCAP will assist SIECA by arranging discussions with the institutions so as to select the appropriate institution and finalize an agreement as rapidly as possible. Thereafter, SIECA and the contracted institution will proceed to define a research plan for the period of the contract and a work plan for FY 73.