

A.I.D. EVALUATION SUMMARY - PART I

IDENTIFICATION DATA

A. Reporting A.I.D. Unit: Mission or AID/W Office: <u>USAID/Honduras</u> (ES# <u>FY 91-4</u> )		B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan? Yes <input type="checkbox"/> Slipped <input type="checkbox"/> Ad Hoc <input checked="" type="checkbox"/> Evaluation Plan Submission Date: <u>FY N/A</u> <u>Q/A</u>	C. Evaluation Timing Interim <input checked="" type="checkbox"/> Final <input type="checkbox"/> Ex Post <input type="checkbox"/> Other <input type="checkbox"/>
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Project No.	Project /Program Title	First PRJAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
522-0325	Policy Analysis and Implementation (Latin American Scholarship Program of American Universities, LASPAU, Honduras Graduate Economics Training Subcomponent).	87	8/94  6/93 LASPAU Grant Completion Date	2,307	2,307

ACTIONS

E. Action Decisions Approved By Mission or AID/W Office Director	Name of Officer Responsible for Action	Date Action to be Completed
<p><b>Action(s) Required</b></p> <p>1. LASPAU will submit to USAID/Honduras a revised financial plan of project funding, including an analysis of tuition waivers, for meeting the targets of this component.</p> <p>2. Based on the results of above financial analysis, the Mission will amend the LASPAU grant to modify as needed the budget of the training component.</p> <p>3. LASPAU will complete a fourth selection round for fulfilling the targeted group of 35 well-trained professional economists, 10 Ph.D.s and 25 M.A.s. In the absence of acceptable placements in U.S. institutions, LASPAU will consider sending some participants to attend Latin American universities for their M.A. degrees; promotion activities will be expanded for this group; proficient English speakers will be exempted from this part of the upgrading training; and, students will be selected with enough lead time for submitting applications.</p> <p>4. As required by the Grant, LASPAU will submit to A.I.D. semiannual status reports that provide useful information to the Mission for monitoring project implementation. To correct for the lack of these reports in the past, LASPAU will submit a comprehensive report for the period from November 10, 1988 to December 1990.</p>	<p>1. Paul Murphy LASPAU</p> <p>2. Vicente Díaz Scott Taylor A. Marie Scott USAID</p> <p>3. Paul Murphy LASPAU</p> <p>4. Paul Murphy LASPAU</p>	<p>05/91</p> <p>05/91</p> <p>09/91</p> <p>As soon as possible</p>

APPROVALS

F. Date Of Mission Or AID/W Office Review Of Evaluation:	(Month) 5	(Day) 24	(Year) 1991
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G. Approvals of Evaluation Summary And Action Decisions:

Name (Typed)	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
	J. Vicente Diaz Project Officer	Paul Murphy Senior Program Officer	Donald Soules, DP Carmen Zambrana DP	John Sanbrailo Mission Director
Signature	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>
Date	4/29/91	5/8/91	5/22/91	5/22/91

(Continued Actions)

- |  |                          |         |
|--|--------------------------|---------|
| 5. LASPAU will develop a Group Building Activities Plan for its immediate implementation.  | 5. Paul Murphy<br>LASPAU | 07/91   |
| 6. LASPAU will inform participants upon initiation of graduate training that they are under a part of a larger A.I.D. supported GOH project intended to introduce economic reforms in Honduras and of the role they are expected to play upon return to Honduras in the implementation of those reforms. | 6. Paul Murphy<br>LASPAU | Ongoing |

**A B S T R A C T**

**H. Evaluation Abstract (Do not exceed the space provided)**

As part of the Policy Analysis and Implementation (522-0325) Project, the USAID Mission in Honduras provided the Latin American Scholarship Program of American Universities (LASPAU) a grant in 1988, to develop a group of 35 well-trained professional economists, 25 Masters and 10 Ph.D.s, by June 30, 1993. Upon in-depth review of the project in March 1990, Mission Management recommended that an evaluation of this component of the project be carried out to assess LASPAU's performance. The evaluation was completed in January 1991. The evaluator interviewed officials of AID/W, USAID/H, LASPAU, the American Language Institute (ALI) at San Diego State University (SDSU), as well as individual program participants.

The major findings and conclusions are:

The objective of 10 Ph.D.s and 25 M.A.s is realistic and likely to be achieved, therefore, the Mission should complete the training program as envisioned in the project. Also, Project Managers should consider utilizing Latin American Universities for their M.A. degrees for a limited number of candidates.

LASPAU's promotional activities were adequate and the entities targeted for recruitment were appropriate. However, LASPAU's placement procedures were neither systematic nor consistent. Application deadlines of top 30 economics programs were missed, which led to serious placement problems, particularly during 1990. Comprehensive monitoring of the progress of all participants was provided by LASPAU. However, LASPAU did not provide the Mission with regular progress reports, i.e., LASPAU did not submit semiannual and financial reports.

Participant tuition costs seem likely to exceed LASPAU's projections because they were estimated with excessive reliance on expected tuition waivers. The lack of tuition waivers has limited the access by Honduran scholars to the highest level in the list of the top 30 economics programs. These institutions do not usually grant tuition waivers.

The following "lessons" have been learned:

- The Honduran candidates recruited by LASPAU have shown that they can perform well in top U.S. graduate economics programs.
- English language upgrading training was beneficial in raising TOEFL scores.
- Placement needs to be closely monitored to ensure the grantee places candidates in the agreed upon institutions.

**C O S T S**

**1. Evaluation Costs**

1. Evaluation Team		Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
Name	Affiliation			
Hunter Fitzgerald Checchi and Company Consultants Inc.		IQC-PDC-0085-1 20-90-60-00 Delivery Order No. 20	26,277	Project 522-0325

**2. Mission/Office Professional Staff**  
Person-Days (Estimate) 10

**3. Borrower/Grantee Professional**  
Staff Person-Days (Estimate) 6

# A.I.D. EVALUATION SUMMARY - PART II

## SUMMARY

J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided)

Address the following items:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Purpose of evaluation and methodology used</li> <li>• Purpose of activity(ies) evaluated</li> <li>• Findings and conclusions (relate to questions)</li> </ul> | <ul style="list-style-type: none"> <li>• Principal recommendations</li> <li>• Lessons learned</li> </ul> |
|--|--|

Mission or Office:

USAID/Honduras

Date This Summary Prepared:

March, 1991

Title And Date Of Full Evaluation Report:  
 Latin American Scholarship Program of American  
 Universities (LASPAU) Graduate Economics  
 Training, January, 1991.

### 1. Purpose of the Evaluation:

USAID/Honduras made the decision to conduct an evaluation of the training in graduate economics studies component of the Policy Analysis and Implementation (522-0325) Project --implemented by the Latin American Scholarship Program of American Universities (LASPAU)-- after a semiannual review in March 1990. The purpose of the evaluation was to assess LASPAU's performance.

Some 185 documents and files from AID/W, USAID/H, LASPAU, and the American Language Institute (ALI) at San Diego State University (SDSU) were reviewed. Visits to AID/W, LASPAU and ALI were carried out. Prior to these visits a trip was made to Honduras to discuss the evaluation scope of work with the Project Officer and other USAID/H staff. A second trip to Honduras was made to allow USAID/H officials to comment on the draft evaluation report. A total of forty-eight individuals, including officials of USAID/H, LASPAU, SDSU/ALI and program participants were interviewed. In addition, written questionnaires were used with the students. The following areas were addressed: 1) training objectives, 2) selection criteria, 3) recruitment procedures, 4) upgrading training (English language and academic preparation), 5) placement procedures, 6) complementary activities and group building, 7) comprehensive progress monitoring, and 8) development of policy making and policy direction skills.

### 2. Purpose of the Project:

The purpose of the Policy Analysis and Implementation (522-0325) Project is to strengthen the Honduran capacity to formulate and implement economic policies and administrative reforms. The training in graduate economics studies is only one component of this project. LASPAU was awarded a grant of \$2,307,160 on November 10, 1988 to implement this component. LASPAU was to develop a group of 35 well-trained professional economists, 25 Masters and 10 Ph.D.s, by the terminal date for this training, June 30, 1993.

### 3. Findings and Conclusions:

The objective of 10 Ph.D.s and 25 M.A.s is realistic. The majority of LASPAU/Honduras scholars have been placed.

There are some excellent economics programs in Latin American Universities suitable for M.A. candidates.

LASPAU followed the established selection criteria. LASPAU managed the selection process essentially on its own, and sought out candidates with high level analytical abilities. However, a small number of participants had less than desirable language skills and/or analytical abilities.

Promotional activities have been adequate and the entities targeted for recruitment were appropriate. Opportunities afforded to women have been the same as those afforded to men.

LASPAU's placement procedures were neither systematic nor consistent. Moreover, the time between final selection and application was not adequate to process the required placement documentation. It also resulted in late acceptances on the part of a number of the universities to which applications were made which in turn squeezed student preparatory time prior to class enrollment.

LASPAU's determination that some upgrading training for participants was required for the project to achieve its goals proved to be correct. By placing scholars in English language upgrading training they experienced above normal increases in average TOEFL scores. Overall, the preliminary upgrading training (at SDSU) and follow-up upgrading during academic programs were adequate. However, the practice of assigning all scholars to six months of orientation and/or English training, regardless of proficiency, ought to be reconsidered by LASPAU.

LASPAU provided comprehensive monitoring of the progress of all participants. However, it did not provide the Mission with regular progress reports. LASPAU is required by the Standard Provisions of the grant to submit semiannual reports as well as financial reports. To date, the Mission has received only one out of the four required semiannual reports and has not received copies of the financial reports that LASPAU provides to AID/W.

Complementary activities to encourage the development of policy-making and policy direction skills in addition to academic training and research, were limited to a few at the preacademic phase (mainly at SDSU). The implementation of group building activities was delayed. No written plan or strategy for complementary activities was found, and LASPAU has not carried out any special seminars until now. A March 1991 Seminar is planned, however, for all scholars as well as three additional state of the art workshops.

The Mission utilized the grant mechanism and noncompetitive procurement procedures for this project. This afforded LASPAU independence in implementing this component.

Participant tuition costs seem likely to exceed LASPAU's projections because of LASPAU's inability to obtain the projected number of tuition waivers due to the special nature and requirements of the project to strive for placement in the top 30 economics programs. LASPAU should provide the Mission with a detailed revised financial plan for meeting the targets of this component.

#### **4. Principal Recommendations:**

The Mission should complete the training program as envisioned in the Project, utilizing Latin American Universities for a limited number of M.A. degree candidates.

The selection process should be modified (e.g., by conducting a part of the selection interview in English to determine applicant's proficiency). Current promotional activities and sources of recruitment will have to be expanded if more economists are to be recruited.

The form and content of the progress reports SDSU provides to the Mission and LASPAU for project management need to be improved. The practice of assigning all scholars to six months' of English language training, regardless of proficiency, ought to be reconsidered. LASPAU should make future placements in accordance with its written policy statement and the grant agreement. LASPAU should revise its time schedule for candidate selection such that applications are submitted early. This will permit LASPAU to submit applications to a large number of top 30 economics programs.

LASPAU should provide the Mission Project Officer with all future semiannual reports on a timely basis. LASPAU should also provide a comprehensive report for the period November 1988 through December 1990, and comply with financial reporting requirements. It should also proceed with group building and complementary activities.

LASPAU should prepare reports in a format that it will be useful to USAID/H Mission and Honduran government project managers and submit the financial analysis regarding tuition waivers for Mission review.

Please refer to Actions on face sheet and Attachment C for implementation schedule for these recommendations.

#### **5. Lessons Learned:**

It was possible to find very good to excellent Honduran candidates for graduate level training in top U.S. economics programs. Relatively low English language proficiency and lower test scores on analytical abilities are both predictors of future problems and/or slow progress in upgrading and/or academic training. The upgrading program was beneficial to most scholars in raising TOEFL scores and for making up subject matter deficiencies. Placement needs to be closely monitored to ensure the grantee places candidates in the agreed upon institutions.

## ATTACHMENTS

K. Attachments (List attachments submitted with this Evaluation Summary; always attach copy of full evaluation report, even if one was submitted earlier; attach studies, surveys, etc., from "on-going" evaluation, if relevant to the evaluation report.)

ATTACHMENT A: Outline of Basic Project Identification Data  
ATTACHMENT B: Project Paper Logframe  
ATTACHMENT C: Complete List of Recommendations  
ATTACHMENT D: Final Report - Evaluation of Latin American Scholarship Program of American Universities (LASPAU) Graduate Economics Training. Policy Analysis and Implementation Project (522-0325).  
Please note that this report was submitted to AID/W on February 4, 1991.  
ATTACHMENT E: LASPAU "Aide Memoire" of 08/09/90.

## COMMENTS

### L. Comments By Mission, AID/W Office and Borrower/Grantee On Full Report

The evaluation report of the Graduate Economics Training component of the Policy Analysis and Implementation (522-0325) Project, managed by LASPAU, satisfies the requirements of the scope of work. The evaluation methodology used was sound. Overall, analyses were well executed and the Mission accepts the findings and recommendations with the following exceptions:

1. Grant vs. Contract Mode. The Mission elected to use a grant rather than a contract mode to remove A.I.D. from direct, day-to-day involvement in program implementation. Recommendations for abandoning the grant and using a contract mode to gain more direct involvement in management control are considered to be inappropriate. Also, this policy has not been disputed by the evaluation as constraining proper program performance. Therefore, this recommendation is not accepted.

2. Selection Process. Closer Mission involvement in the process is not supported by discussions of this issue in the report. Therefore it is not accepted.

3. Upgrading Program. The Mission does not want to interfere with LASPAU's internal procedures for agreements with upgrading institutions or the composition of its selection committees. The Mission, however, reserves the right to accept or reject any of the upgrading institutions included in the LASPAU proposal. Negative impacts of mixing Honduran scholars with other LASPAU scholars are not spelled out in the report. Except for administrative inconveniences resulting from mixing reports, which should be resolved, Mission favors mixing Hondurans with other scholars as a means of exposing them to the benefits of different cultures.

Also, the evaluation did not make any recommendation in addressing the issue of the effects on the participant's performance of additional upgrading training during the regular graduate program, e.g. after the preparatory training has terminated. Upgrading training is not to be included in the graduate curriculum because it may place excessive workload on the student and/or demand extension of student stay to fulfill a complete graduate program.

4. Placement Procedures. The Mission has reservations regarding the benefits of encouraging the participation of scholars in the placement process. Since the evaluation does not elaborate on this, we do not endorse this recommendation.

5. Gender. There is no evidence in the report to conclude that cultural factors have impeded access to the program by women. Reported testimony by a female participant and casual comments by an attendant to the debriefing do not seem to be enough to determine cultural factors as limiting access to the program by women. Gender, as well as Government of Honduras nomination and support, are not selection criteria approved by the Project Committee.

6. Excessive English Training. Indiscriminate English upgrading has absorbed funding that otherwise could have been applied to other program activities, e.g. group building and complementary activities.

Attachment A

Delivery Order No. 20  
PDC-0085-I-20-9060-00

OUTLINE OF BASIC PROJECT IDENTIFICATION DATA

1. Country: Honduras
2. Project Title: Policy Analysis and Implementation
3. Project Number: 522-0325
4. Project Dates:
  - a. Project Agreement: August 27, 1987
  - b. LASPAU Agreement: November 10, 1988
  - c. Final Obligation Date: FY 92 (planned)
  - d. Project Assistance Completion Date (PACD): August 31, 1994
  - e. Grant Completion Date: June 30, 1993
5. Project Funding: (amounts obligated to date in dollars or dollar equivalents from the following sources exclusively for this component)

a. A.I.D. Bilateral Funding (grant)	US\$2,307,160
b. Other Major Donors	US\$ -
c. Host Country Counterpart Funds	US\$ -
TOTAL	<u>US\$2,307,160</u>
6. Mode of Implementation: A.I.D. grant to LASPAU
7. Project Designers: USAID/Tegucigalpa, Government of Honduras
8. Responsible Mission Officials:
  - a. Mission Director(s): John Sanbrailo (1987 - Present)
  - b. Project Officer(s): Scott Thomas (1987 - 1989)  
Charles Richter, Vicente Díaz (current)
9. Previous Evaluation(s): None

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POLICY ANALYSIS AND IMPLEMENTATION  
Logical Framework

Life of Project Funding  
From FY87 to FY 94  
Total U.S. Funding \$12 million

Summary		Objectively Verifiable Indicators		Means of Verification		Important Assumptions	
A.1	Goal	A.2	Measurement of Goal Achievement	A.3	(As related to goal)	A.4	(As related to goal)
	To promote sustained economic growth and stability.		<p>Improved economic and fiscal performance as measured by, inter alia:</p> <ul style="list-style-type: none"> <li>a. Higher real GDP growth rates over the medium-term.</li> <li>b. Lower fiscal deficit as a percentage of GDP.</li> <li>c. Lower current account deficit in balance of payments as a percentage of GDP.</li> </ul>		<ul style="list-style-type: none"> <li>- Central Bank</li> <li>- Project monitoring</li> <li>- COM reports</li> <li>- IMF/IBRD reports</li> <li>- Economic indicators</li> </ul>		<ul style="list-style-type: none"> <li>- Continued economic, social political stability in Honduras and Central America.</li> <li>- Productive policy dialogue between A.I.D. and COM continues.</li> <li>- Political climate favorable to private sector investment.</li> </ul>
B.1	<u>Purpose</u>	B.2	<u>End of Project Status</u>	B.3	<u>(As related to purpose)</u>	B.4	<u>(As related to purpose)</u>
	To strengthen Honduran capacity to formulate and implement economic policies and administrative reforms.		<p>Significantly increased capacity on the part of the COM to undertake economic analysis and implement policies as evidenced by policy studies and policy changes in the areas of foreign trade, customs administration, public sector expenditures, and export competitiveness.</p>		<ul style="list-style-type: none"> <li>- Project monitoring</li> <li>- Project evaluation</li> <li>- Consultants reports</li> <li>- Economic reports</li> </ul>		<ul style="list-style-type: none"> <li>- Leadership stability within the COM.</li> <li>- COM continues to implement economic reform package.</li> </ul>
			<p>Strengthened private sector organization, COMIP, with increased membership, increased financial support from members, development of professional economic research capacity, published information and conferences establishing COMIP's position on economic policy issues and viable efforts by COMIP to influence national economic policy.</p>		<ul style="list-style-type: none"> <li>- Copies of Reports</li> <li>- Attendance at conferences</li> </ul>		<ul style="list-style-type: none"> <li>- Continued efforts by COMIP to revitalize its organizational and conduct private public dialogue on economic growth.</li> <li>- Continued private sector willingness to participate in policy reform process.</li> </ul>

**POLICY ANALYSIS AND IMPLEMENTATION**  
**Logical Framework**

Life of Project Funding  
From FY87 to FY94  
Total U.S. Funding \$12 million

Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<b>C.1</b> <u>Outputs</u>	<b>C.2</b> <u>Output Indicators</u>	<b>C.3</b> <u>(As related to outputs)</u>	<b>C.4</b> <u>(As related to outputs)</u>
Enhanced human resource base	10 Ph.D.s in economics 25 MA/MS in economics/public admin. 15 international short-term training	- S&T/OIT progress reports - Project monitoring	- Trainee nomination, selection and placement proceeds in timely fashion.
Analyses of key problems affecting the private sector	3-4 studies per year	- Copies of analyses	- Continued private sector participation - Identification of key problems in a timely manner.
Analyses of key problems areas affecting the national economy	Policy studies in the areas of public sector finance, export competitiveness, customs administration, and foreign trade.	- Copies of studies	- Contracting of T.A. in timely fashion, good coordination between A.I.D., the COM, and contractor team
Improvements in public sector operations	Reduction of expenditures in public sector operations, increased productivity in public sector operations.	Independent annual audits of public sector agencies presentation of annual reports on efficiency of public sector. Semesterly production of financial operation statements by decentralized agencies in accordance with accounting standards used by IPIS.	- Continued COM efforts to rationalize public sector operations
Public dissemination of information regarding the need for private savings and investment for economic growth, the role and meaning of private enterprise and private sector views on public policy	Conferences and published reports from COHEP on economic and fiscal policy, pamphlets, newspaper articles or radio coverage on the role of private enterprise in the economy.	- Copies of reports, - Attendance at conferences	- COHEP efforts to revitalize organizations and lead public-private dialogue on economic growth.
<b>D.1</b> <u>Inputs</u>			

(See Project Budget page 37)

ATTACHMENT C: COMPLETE LIST OF RECOMMENDATIONS

<u>RECOMMENDATION</u>	<u>ACTION</u>
<b>A. <u>Objective of Training</u></b>	
1. The Mission should complete the training program as envisioned in the Project with the adjustment of sending a limited number of candidates first to Latin American economics training centers of excellence as suggested in the next recommendation.	Mission agrees with this recommendation and plans to increase the budget of this component. Please refer to Action No. 3 on face sheet of this Evaluation Summary (ES).
2. On a pilot basis, LASPAU should place a limited number of candidates in Latin American graduate schools in economics for completion of a Bachelor's or a Master's degree to be followed by placement in Ph.D. programs in economics in top U.S. university graduate schools.	Action No. 3 on face sheet of this ES.
<b>B. <u>Selection Criteria</u></b>	
1. The Selection Committee should conduct a standard part of the selection interview (say, one-fourth) in English and select out people who obviously do not have adequate English proficiency.	Completed. This recommendation was adopted by LASPAU in the third selection round.
2. LASPAU should increase the minimum range of test scores for English language and analytical parts of the Entrance Examination (PAEG).	This recommendation is not supported in the report.
3. LASPAU should continue the selection process as it has in the past with the modifications suggested above. Furthermore, the Mission should implement a second phase of the selection in which the Mission and LASPAU will interview the finalists and, with the Mission, provide final approval.	Mission does not agree. Please refer to Section L.2 of this ES.
4. LASPAU should contract with an eminent economist not affiliated with any LASPAU-sponsoring institution to serve on the	It is LASPAU's prerogative to select the members of the Selection Committee. Please refer to Section L.3 of this ES.

selection committee along with LASPAU's "in-house" experts.

C. Recruitment Procedures

1. If more economists are to be recruited and trained in the future, current promotional activities will need to be expanded and candidates recruited from other sources. LASPAU should expand promotional activities to include new geographic areas, other institutions, and different media.

Action No. 3 on face sheet of this ES.

D. Upgrading Training

1. LASPAU should take into account any existing English language abilities in its placement of scholars (in language upgrading programs). Proficient English speakers ought to be exempted from this part of the upgrading training.

Action No. 3 on face sheet of this ES

2. (a) Further upgrading agreements between LASPAU and other institutions should be announced well in advance and awarded competitively.

Please refer to section L.3 of this ES.

(b) Furthermore, clear contractual language should provide for: keeping Hondurans administratively separate, reporting requirements which define more useful reports, having group building activities, and giving more professional level participation such as field visits, lectures, and seminars in the economics field.

LASPAU accepted this recommendation.  
Fax Murphy/Díaz of 4/4/91

3. LASPAU resolve the doubtful case on leave of absence and follow-up to ensure that the other four are in academic training by January 1991.

Mission agrees. Case should be solved by the end of March, 1991. The other four students are already placed in graduate programs.

E. Placement Procedures

1. LASPAU should proceed with future placements as stated in the LASPAU "Aide Memoire" of August 9 1990, following its own proposal which was incorporated into the grant agreement.

Ongoing.

2. LASPAU should consider revising its selection procedure time schedule to an earlier period so that applications are submitted earlier to a wider variety of the "Top 30" economics programs.

Action No. 3 on face sheet of this ES.

F. Monitoring, Complementary Activities and Group Building

1. LASPAU should provide the semiannual reports required by the Grant to the USAID project officer in the Mission on timely basis for all future reporting periods. To correct the lack of past reporting, LASPAU should provide a comprehensive report for the period from November 10, 1988 to December 1990, which will include all of the information required by the Grant for the semiannual reports. LASPAU should also verify its compliance with the financial reporting requirements vis-a-vis AID/W.

Action No. 4 on face sheet of this ES.

2. (a) LASPAU needs to develop and implement carefully planned complementary activities earlier in the project or as each group arrives.

Action No. 5. on face sheet of this ES.

(b) LASPAU should draw up written plans with descriptions of these activities and timetables, with suggestions from the Mission, GOH, the Honduran private sector, and the scholars themselves.

Mission agrees with drawing up written plans. However, it is LASPAU's prerogative to request suggestions from any source it considers appropriate.

3. LASPAU should develop and implement carefully planned group building activities earlier in the project, or as each group arrives. LASPAU should also proceed promptly but carefully with those activities already planned.

Action No. 5 on face sheet of this ES.

G. Administration

1. The Mission should award any contract increases and/or extensions and new projects competitively and use the contract mode.
2. The grantee should prepare information in such a manner and format that it will be useful to Mission and GOH project managers.

Please refer to Section L.1 of this ES.

Action No. 4 on face sheet of this ES.

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3. LASPAU should submit the analysis regarding tuition waivers as soon as possible for Mission review and consideration.

Action No. 1 on face sheet of this ES.

4. The Mission and LASPAU should explore ways of exchanging information and experience gained in all the components of the Policy Analysis and Implementation project. Specifically, the LASPAU project manager should be briefed on the entire project by the Mission in advance of LASPAU's planned February enrichment seminar. The LASPAU project manager should brief LASPAU project staff. Finally, LASPAU should make a presentation at the February enrichment seminar so that the participants themselves may be aware of the role and contributions to the larger project.

Action No. 6. Mission agrees only partially with this recommendation. Implementation of project supported economic reforms by the GOH has proven to be controversial in Honduras, often of a political nature, such that a discussion of implementation with participants could transfer the local debate to their places of study and thus influence the objectivity intended in their training.

5. The Mission should complete the Grant with LASPAU as programmed, implementing those contractor recommendations the Mission decides to utilize.

Mission agrees with this overall recommendation. Please refer to face sheet of this ES for actions to be taken.

AIDE MEMOIRE BETWEEN USAID/HONDURAS AND LASPAU

9 August 1990

For the further implementation of the Economic Policy Fellowship program, USAID/Honduras and LASPAU have agreed on the following points:

1. Candidate selection will proceed with utmost attention given to the ability of fellowship recipients to be admitted into top-ranking departments of economics. LASPAU acknowledges that it would be best for LASPAU to avoid all ambiguity about the quality of potential universities where the Honduran students will carry out their graduate work. Thus LASPAU will endeavor to place individuals where there will be no need for discussion with USAID/Honduras about the merits of the placements, and LASPAU will make certain to select candidates who will be admissible to top programs.

2. The top universities are unequivocally determined by the attached list of the Conference Board of Associated Research Councils. The top ten institutions are to be considered optimal, although USAID/Honduras and LASPAU acknowledge that only two of the universities admit candidates to terminal master's programs. The top thirty are to be considered acceptable. Beyond the top thirty, there may be a few other acceptable institutions that distinguish themselves for particular reasons -- a special strength in Latin American or development economics, for example -- and those as of this date are Vanderbilt University, Boston University, and the University of Texas at Austin. (The names of Northeastern University, the University of Illinois at Chicago, the University of Colorado, the University of Massachusetts at Amherst, and the University of California at Riverside will not pass the lips of LASPAU with regard to this project ever again, except when mentioning Northeastern in reference to the site of study for a few among the first group of fellows.) LASPAU will make every attempt to place individuals among universities at the very top of this list, knowing the importance this has for USAID/Honduras.

For placements in agricultural economics -- which are allowable to a limited extent under the goals of the project -- the previously mentioned list for economics departments will serve as a general guide, as will a list devised by Jack Gourman that has been considered of low scholarly quality by USAID/Honduras and LASPAU but which seems to compile a recognizable list of institutions to aim for within this field.

3. In the absence of acceptable placements in U.S. institutions, LASPAU may consider sending individuals to "centers of excellence" in economics in Latin American. USAID/Honduras would approve:

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- o el Instituto Tecnológico Autónomo de México (ITAM)
- o el Centro de Estudios Macroeconómicos de Argentina (CEMA)
- o la Pontificia Universidad Católica de Chile, Facultad de Economía y Ciencias Administrativas, and
- o la Universidad de Tucumán (Argentina).

Other Latin American institutions that LASPAU may find to be strong placements can be brought before USAID/Honduras for discussion and approval or rejection.

4. LASPAU will carefully consider the future use of San Diego State University as a center for English-language training and academic preparation in economics. Despite the excellent improvement in the English of the Honduran economists, as indicated by their progress on the TOEFL, their doubts about the program, and the doubts planted in the minds of USAID/Honduras personnel could mean that the program be abandoned in favor of a program at either the State University of New York at Buffalo, the University of South Carolina, or the Economics Institute, affiliated with the University of Colorado at Boulder, for the next group of admitted candidates.

5. LASPAU and USAID/Honduras commit themselves to improved communication between the institutions so that neither misunderstandings, nor misperceptions, nor a lack of mutual confidence undermine the common goal of both institutions to train the best economists available to Honduras in the next generation. LASPAU makes a renewed commitment to provide, in accordance with Attachment #1 of the grant contract, semi-annual reports on program accomplishments, goals that have not been met, and the names and statuses of the individual participants.

6. At the same time, LASPAU will endeavor to win back the shaken confidence of the Honduran fellows by means of contact with them by phone, prompt answers to their questions and worries, and a visit to San Diego State University within the next ten days to clarify as concretely as possible the status of the individuals still not satisfactorily placed within the program, laying out the options that they have before them and the expectations held for them by USAID/Honduras and LASPAU. USAID/Honduras will refer the fellows' inquiries about their status directly to Maya Evans, Senior Program Officer, or Steven Bloomfield, Program Director, LASPAU. USAID/Honduras will direct that the fellows' comments about the general quality of the implementation of the program by LASPAU be put in writing and directed to USAID/Honduras for future discussion and resolution by USAID/Honduras and LASPAU.

7. Regarding the sixteen individuals chosen in the 1989 selection of fellows, USAID/Honduras and LASPAU agree that the following eight individuals are satisfactorily placed:

- o BUCK, Percy U. of Illinois at Urbana-Champaign
- o CARCAMO, Julio Virginia Polytechnic Inst.
- o MEMBREÑO, Sergio U. of Pennsylvania
- o MISELEM, Roberto Duke U.
- o MOSSI, Dante Duke U.
- o RIVERA, Roxana Northwestern U.
- o RODRIGUEZ, Roger U. of Virginia
- o SALOMON, Marco Boston U.

The following eight individuals still need to be placed successfully in top economics departments, and LASPAU will make certain that they be provided with the English-language courses, the preparatory work in economics, and the hard work by LASPAU on challenging placements that they deserve. USAID/Honduras recognizes that the training may need to take place beyond September 1990, and may not necessarily take place at San Diego State University:

- o DERAS, Teresa Maria
- o ESPINOZA, Carlos
- o GUILLEN, Hugo
- o LUNA, José
- o MARADIAGA, Edgardo
- o NUÑEZ, Gabriela
- o RIVERA, Roberto
- o SIERRA, Marcio

It is recognized both by USAID/Honduras and by LASPAU that individuals may be sent back to Honduras if and only if their English proficiency or economics aptitude is severely lacking -- as defined by the top economics institutions -- even after LASPAU provides extensive opportunities for pre-academic training. Work toward a second master's -- at a top-ranking university -- can be contemplated for individuals initially selected for doctoral work who are found not to be admissible at the doctoral level.

LASPAU will make every endeavor on behalf of the Honduran fellows to secure success as defined by USAID/Honduras and the fellows' Honduran peers.

Table 5 CONFERENCE BOARD OF ASSOCIATED RESEARCH COUNCILS  
Quality of Economics Faculty's Opinion Survey

- |   |  |
|---|--|
| 1. Massachusetts Institute of Technology      | 47. Claremont Graduate School                |
| 2. Chicago, University of                     | 47. Iowa, University of                      |
| 2. Harvard University                         | 47. Pittsburgh, University of                |
| 2. Stanford University                        | 50. Pennsylvania State University            |
| 5. Princeton University                       | 50. N Carolina State University (Bus & Econ) |
| 5. Yale University                            | 52. Boston College                           |
| 7. Minnesota, University of                   | 52. Indiana University                       |
| 8. Pennsylvania, University of                | 52. S Methodist University                   |
| 9. Columbia University                        | 52. Wayne State University                   |
| 10. California, University of, Berkeley       | 56. George Washington University             |
| 10. California, University of, Los Angeles    | 56. Oregon, University of                    |
| 10. Northwestern University                   | 56. Rice University                          |
| 10. Rutgers University                        | 56. Syracuse University                      |
| 14. Wisconsin, University of, Madison         | 56. Tulane University                        |
| 15. Rochester, University of                  | 61. Colorado, University of, Boulder         |
| 16. Michigan, University of                   | 61. Kentucky, University of                  |
| 17. New York University                       | 62. State U of New York, Binghamton          |
| 18. Brown University                          | 65. Connecticut, University of               |
| 19. California, University of, San Diego      | 65. Florida State University                 |
| 19. Maryland, University of, College Park     | 65. Oklahoma State University                |
| 21. Carnegie-Mellon University (Ind. Admin.)  | 65. Wisconsin, University of, Milwaukee      |
| 21. Cornell University                        | 69. American University                      |
| 21. Johns Hopkins University                  | 69. Kansas, University of                    |
| 24. California Institute of Technology        | 69. Missouri, University of                  |
| 24. Duke University                           | 69. New School for Social Research           |
| 24. Virginia, University of                   | 69. Oklahoma State University (Agl Econ)     |
| 27. Michigan State University                 | 69. S Carolina, University of                |
| 27. Virginia Polytech Institute and State U   | 69. Utah, University of                      |
| 27. Washington, University of, Seattle        | 76. Colorado State University                |
| 30. Illinois, University of, Urbana-Champ     | 76. Georgia State University                 |
| 30. N Carolina, University of, Chapel Hill    | 78. California, University of, Riverside     |
| 30. S Carolina, University of                 | 78. Nebraska, University of                  |
| 33. California, University of, Davis-Agl Econ | 78. State U of New York, Albany              |
| 33. Washington University, Saint Louis        | 81. Cincinnati, University of                |
| 35. Texas A & M University                    | 81. Georgetown University                    |
| 36. California, University of, Davis          | 81. Hawaii, University of                    |
| 36. Purdue University                         | 81. Washington State University              |
| 36. Iowa State University                     | 81. W Virginia University (Bus & Econ)       |
| 36. Vanderbilt University                     | 86. Notre Dame University                    |
| 40. Massachusetts, University of, Amherst     | 88. Oklahoma, University of                  |
| 40. Ohio State University                     | 88. Arkansas, University of                  |
| 40. Boston University                         | 88. Clark University                         |
| 40. State U of New York, Stony Brook          | 88. N Illinois University                    |
| 44. California, University of, Santa Barbara  | 91. Case Western Reserve University          |
| 44. Florida, University of                    | 92. Fordham University                       |
| 44. Texas, University of, Austin              | 93. S Illinois, University of                |

Source: Extracted with permission from An Assessment of Research-Doctorate Programs in the United States Social and Behavioral Sciences, ©1982 by the National Academy of Sciences.

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TABLE 6 GOURMAN'S RATING OF GRADUATE PROGRAMS IN ECONOMICS  
Leading Institutions

Forty-six institutions with scores in the 4.0-5.0 range, in rank order

INSTITUTION	Rank	Score	Curriculum	Faculty Instruction	Faculty Research	Library Resources (Economics)
Harvard University	1	4.96	4.95	4.96	4.95	4.97
Massachusetts Institute of Technology	2	4.94	4.93	4.95	4.94	4.95
Chicago University	3	4.93	4.92	4.94	4.92	4.93
Yale University	4	4.91	4.91	4.93	4.90	4.91
California, University of, Berkeley	5	4.90	4.90	4.91	4.90	4.90
Princeton University	6	4.89	4.90	4.90	4.88	4.89
Stanford University	7	4.88	4.90	4.90	4.85	4.87
Pennsylvania University	8	4.85	4.87	4.89	4.82	4.83
Michigan University	9	4.83	4.85	4.87	4.81	4.80
Minnesota University	10	4.80	4.82	4.84	4.79	4.76
Wisconsin, University of, Madison	11	4.77	4.79	4.81	4.76	4.72
Columbia University	12	4.74	4.76	4.78	4.72	4.69
California, University of, Los Angeles	13	4.69	4.72	4.74	4.68	4.63
Northwestern University	14	4.66	4.70	4.72	4.63	4.59
Cornell University	15	4.65	4.70	4.71	4.62	4.56
Brown University	16	4.62	4.67	4.69	4.60	4.51
Duke University	17	4.61	4.66	4.68	4.59	4.50
California, University of, San Diego	18	4.58	4.65	4.66	4.55	4.47
Illinois, University of, Urbana-Champ	19	4.54	4.61	4.63	4.50	4.42
Johns Hopkins University	20	4.53	4.59	4.61	4.50	4.40
Carnegie-Mellon University	21	4.51	4.57	4.58	4.50	4.40
Virginia University	22	4.47	4.53	4.53	4.46	4.37
Indiana University	23	4.45	4.51	4.52	4.40	4.35
Michigan State University	24	4.41	4.49	4.50	4.33	4.32
N Carolina, University of, Chapel Hill	25	4.40	4.47	4.49	4.32	4.30
Texas, University of, Austin	26	4.37	4.45	4.46	4.30	4.27
New York University	27	4.36	4.43	4.45	4.30	4.26
Washington, University of, Saint Louis	28	4.34	4.40	4.43	4.29	4.25
Washington, University of, Seattle	29	4.31	4.38	4.38	4.26	4.23
SUNY, Buffalo	30	4.28	4.34	4.35	4.21	4.20
Rochester University	31	4.26	4.32	4.33	4.19	4.18
Purdue University	32	4.24	4.30	4.31	4.18	4.17
Ohio State University	33	4.23	4.28	4.29	4.17	4.16
Iowa University	34	4.21	4.26	4.27	4.15	4.14
Kansas University	35	4.19	4.23	4.25	4.14	4.13
Iowa State University	36	4.18	4.22	4.23	4.13	4.12
California, University of, Davis	37	4.16	4.20	4.21	4.12	4.11
Rice University	38	4.15	4.19	4.20	4.11	4.10
Pittsburgh University	39	4.14	4.18	4.17	4.10	4.10
Pennsylvania State U	40	4.12	4.15	4.15	4.09	4.08
Rutgers, University of, New Brunswick	41	4.11	4.13	4.14	4.07	4.08
Vanderbilt University	42	4.10	4.12	4.13	4.06	4.07
S Methodist University	43	4.08	4.10	4.11	4.06	4.06
California, U of, Santa Barbara	44	4.07	4.09	4.10	4.05	4.05
Oregon University	45	4.06	4.07	4.09	4.04	4.05
Maryland, University of, College Park	46	4.05	4.05	4.07	4.03	4.04

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