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

BOLIVIA

PROJECT PAPER

BOLIVIAN PEACE SCHOLARSHIP PROGRAM

AID/LAC/P-612

PROJECT NUMBER: 511-0611

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET		1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____	DOCUMENT CODE 3
2. COUNTRY/ENTITY BOLIVIA		3. PROJECT NUMBER 511-0611		
4. BUREAU/OFFICE LAC		5. PROJECT TITLE (maximum 40 characters) Bolivian Peace Scholarship Program		
6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD Y 06 30 96		7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4) A. Initial FY 91 B. Quarter 3 C. Final FY 96		

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	1,066	105	1,171	4,084	416	4,500
(Grant)	(1,066)	(105)	(1,171)	(4,084)	(416)	(4,500)
(Loan)	()	()	()	()	()	()
Other U.S.						
1. Host Country		373	373	--	1,500	1,500
2. Other Donor(s)	1,066	478	1,544	4,084	1,916	6,000
TOTALS						

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) EHR	700					4,500	---	4,500	
(2)									
(3)									
(4)									
TOTALS						4,500	---	4,500	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

The purpose of the project is to equip a broad base of Bolivian leaders with technical skills training as well as with an appreciation and understanding of the peculiarly American values supporting a free enterprise economy in a democratic society.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

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

The USAID Controller has reviewed the financing procedures described herein and hereby indicates his concurrence.

Thomas Johnstone
Thomas Johnstone
Acting Controller

17. APPROVED BY

Signature *Carl H. Leonard*

Title Carl H. Leonard
Mission Director

Date Signed MM DD YY
02 22 91

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

PROJECT AUTHORIZATION

Name of Country: Bolivia

Name of Project: Bolivian Peace Scholarship Program
511-0611

1. Pursuant to Section 105 of the Foreign Assistance Act of 1961, as amended I hereby authorize the Bolivian Peace Scholarship Program ("The Project") for Bolivia ("The Cooperating Country") involving planned obligations of not to exceed Four Million, Five Hundred Thousand United States Dollars (\$4,500,000) in grant funds over a five-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 certain local currency costs for the project. The planned life of the project is approximately five years from the date of initial obligation, until June 30, 1996.

2. The Project will equip a broad base of Bolivian leaders with technical skills training as well as with an appreciation and understanding of the peculiarly American values supporting a free enterprise economy in a democratic society.

3. The Project Agreement(s), 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 the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Commodities, Nationality of Services

Except as A.I.D. may otherwise agree in writing, commodities financed by AID under the project shall have their source and origin in the United States. Except for ocean shipping, the suppliers of commodities or services shall have the United States as their place of nationality, except as AID may otherwise agree in writing. Ocean shipping financed by AID under the project shall, except as AID may otherwise agree in writing, be financed only on flag vessels of the United States.

b. Local Source Procurement

Based on the justification included in the Project Paper, local cost financing with appropriated funds is hereby authorized for the following types of transactions, as necessary to fulfill program objectives and to best promote the objectives of the Foreign Assistance Program, up to an aggregate amount of \$500,000:

b'

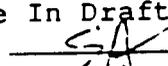
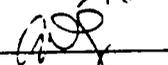
- i. Administrative costs in Bolivia of training, including local salaries, local travel, equipment, communication and local services, and
- ii. International travel, to the extent not covered by the Cooperating Country Contribution.



Carl H. Leonard
Mission Director
USAID/Bolivia


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CLEARANCES

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BOLIVIAN PEACE SCHOLARSHIP PROJECT (BPSB)
 CARIBBEAN AND LATIN AMERICAN PEACE SCHOLARSHIP PROGRAM (CLASP)
 (590-0661)
 (597-0044)
 (511-0611)

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GLOSSARY OF TERMS

ADC	Advanced Developing Countries
AID/W	Agency for International Development, Washington
APSP	Andean Peace Scholarship Program
CA	Central America Regional Programs
CAI	Central America Initiative
CAPS	Central America Peace Scholarship Program
CASP	Central America Scholarship Program (Georgetown)
CASS	Cooperative Association of States for Scholars
CBSF	Caribbean Basin Scholarship Program
CDIE	Center for Development Information and Evaluation (PPC)
CLASP	Caribbean and Latin American Scholarship Program
CSLA	Consortium for Service to Latin America
CTP	Country Training Plan
DA	Development Assistance account
EOPS	End of Project Status
ESF	Economic Support Fund account
FSN	Foreign Service National
GAO	U.S. General Accounting Office
HBCU	Historically Black Colleges and Universities
IG	A.I.D. Inspector General
ISEP	International Student Exchange Program (Georgetown University)
IVP	International Visitor Program (USIA)
LAC	Latin America and Caribbean Bureau
LAC/DR	Latin America Bureau Development Resources
LAR/DR/EHR	Education, Science and Technology in LAC/DR
LAC II	LAC Regional Training Initiatives II Project
LCA	Leadership Center of the Americas
LOP	Life of Project
NBCCA	National Bipartisan Commission on Central America
OYB	Operating Year Budget
PACD	Project Assistance Completion Date
PIO/P	Project Implementation Order/Participant Training Program and Policy Coordination, AID
PPC	Program and Policy Coordination, AID
PTIIC	Presidential Training Initiative for the Island Caribbean
RDO/C	Regional Development Office for the Caribbean
RTAC II	Regional Technical Aid Center II Project
S+T/IT	Office of International Training, Bureau of Science and Technology
SIF	Social-Institutional Framework
USIA	U.S. Information Agency

I. SUMMARY AND RECOMMENDATIONS

A. Summary

The Bolivian Peace Scholarship Project (BPSP) is part of the Caribbean and Latin American Scholarship Program II (CLASP II), a regional program described in Section II of the Project Paper. CLASP II is designed to have a long term impact on two factors which are critical to lasting improvement in the economic and social conditions in the region: (1) a stable social, political and economic environment which is conducive to economic development; and (2) an educated and skilled population with capable leaders to manage and implement programs and policies. CLASP II follows CLASP I which includes the Andean Peace Scholarship Program (APSP). Under APSP, USAID/Bolivia has been able to send 312 Bolivians to the U.S. for training -- most of them from disadvantaged groups -- and will send an additional 120 before the program terminates.

The CLASP II regional program has three significant differences from its predecessor. First, it is Mission funded as opposed to being regionally funded. This means that each participating Mission must approve a Project Paper, observe all guidance affecting Mission projects and contract for its own implementing mechanisms. Second, CLASP II requires that scholarship recipients be identified by a Social/Institutional Framework (SIF) -- a country specific study which determines what kinds of leaders in which economic/social development fields can benefit most from CLASP II training opportunities. Finally, all CLASP II participants must be leaders, actual or potential.

The Bolivian Peace Scholarship Project follows the guidelines provided by CLASP II. Its purpose is to equip a broad base of Bolivian leaders with technical skills as well as with an appreciation of the peculiarly American values supporting a free enterprise economy in a democratic society. At least 70% of BPSP Peace Scholars will be from disadvantaged groups, 40% will be women and at least 20% will be sent for long-term training. A SIF was prepared for and approved by the Mission in June, 1990 which established the priority groups which will receive BPSP scholarships. The five priority areas identified by the SIF were: (1) agriculture production techniques for small farmers; (2) small business and cooperative management and marketing skills; (3) infant and maternal health care; (4) non-formal education and communications; and (5) natural resources management (environmental protection).

BPSP training will take two forms -- Short-term Technical Training (STT) lasting for an average of six weeks and Long-term Technical Training (LTT) having a duration of ten months. Academic training which is permitted by CLASP II will not be included in APSP because of its high cost in comparison to the

resources in the Project. All training will take place in the U.S. Peace Scholars will be programmed in groups of 20 with the exception of some groups of 10 long-term trainees. This will permit economies of scale as well as allow for all courses to be given in Spanish. Experience America will be a part of each training program -- the opportunity to experience first hand various aspects of an open, democratic society and a free market system.

Upon their return to Bolivia, BPSP participants will be expected to utilize their newly acquired skills to improve the economic and social conditions of their low income communities and societies. The fact they are leaders will assist them in realizing this goal. The Mission, however, will provide them with support through its BPSP follow-on program. Returned Peace Scholars will be encouraged to develop groups and group activities oriented to improving the conditions of disadvantaged Bolivians.

B. Recommendations

It is recommended that USAID/Bolivia authorize a grant of US\$ 4.5 million to finance the dollar cost of the Bolivian Peace Scholarship Project. It is proposed that the Project be authorized in January 1991 with a five year duration (PACD January 1996). This will permit 300 Bolivians, most of them from disadvantaged circumstances, to receive technical training in the U.S.: 240 will participate in short-term training programs while 60 will receive long-term training.

C. Project Development Team

1. The Project Development Team was composed of:

Beatriz O'Brien, Mission Training Officer
Eduardo Sfeir, BPSP Project Coordinator
Jaime Vizcarra, Project Development Officer
Edmundo Ballivian, Financial Analyst
Allan Broehl, Consultant, Academy for Educational
Development

2. The Project was reviewed by:

Stephen Smith, Deputy Chief, DP
Lawrence Odle, Deputy Chief, PD&I
Thomas Johnstone, Deputy Controller
Edward L. Kadunc, Chief, PD&I
Garber Davidson, Deputy Mission Director

3. The Project was approved by:

Carl H. Leonard, Mission Director

II. PROGRAM RATIONALE AND DESCRIPTION

A. Background and Rationale

1. A.I.D. Participant Training Programs, 1949-1984

History. Participant training has been an integral part of the foreign assistance program since the Marshall Plan in 1949. More than 250,000 foreign nationals have received U.S. government scholarships for training in the U.S. or third countries, over 30% of whom have been from Latin America and the Caribbean. Between 1958 and 1984, 38,387 people from the LAC region were trained in the U.S. by A.I.D. or its predecessor agencies in virtually every important development field. Although no formal tracking of the participants has been conducted, informal surveys have found that many leaders and influential people in LAC countries have received U.S. government (USG) scholarships.

Funding levels for the A.I.D. participant training program, and consequently the number of people trained annually, has fluctuated significantly over the past four decades. The largest program was in the immediate postwar years (1944-1957), when over 8,700 scholarships were awarded each year. Since then, training levels fluctuated between a low of 3,440 participants a year in the early 1960s to a high of almost 6,200 in the early 1970s. By the early 1980's, approximately 5,400 participants were being trained each year.

In the late 1970s and early 1980s, the LAC Bureau initiated a series of regional training projects to increase the number of participants from the LAC region. Although the impact on the total numbers trained was modest, these projects incorporated new approaches which would be expanded under the Caribbean and Latin American Scholarship Program (CLASP). The "Training for Development" project (598-0580) was authorized in FY 1979 to provide training for 647 participants, with an emphasis on people from lower economic status groups. The LAC Training Initiatives I (598-0622) was authorized in FY 1982 to train 670 individuals. In FY 1983, the Caribbean Basin Scholarship Fund (CBSF) (598-0626) sponsored 500 participants from the private and public sectors, again focusing on people from socially and economically disadvantaged groups.

Evaluations and Lessons Learned. Despite the substantial scale of the participant training program over the years, A.I.D. has had limited success in evaluating the impact of the program on development. In 1984, PFC/CDIE sponsored a study to review A.I.D. evaluations of participant training projects conducted

over a 30 year period ("Review of Participant Training Evaluation Studies," Tom Moser and Laurel Elmer, PPC/CDIE 1984). The study found that A.I.D. has conducted relatively few evaluations of participant training programs, virtually all of which focused on operational issues rather than the eventual use of the training. The only systematic, worldwide evaluation of the utilization and effectiveness of participant training, conducted in the early 1960s, recommended the following (in order of importance):

- (1) more follow-up activities with returned participants are needed;
- (2) participants should have more involvement in predeparture program planning;
- (3) longer term training ensures better utilization than does short-term training;
- (4) supervisors should be involved in selecting participants and planning the program;
- (5) plans for using the training should be formulated during the planning stage; and,
- (6) participants should be better informed and satisfied with their training programs before departure.

In 1967, A.I.D. initiated an ambitious evaluation that was to include three phases of systematic interviews with participants-- predeparture interviews, exit interviews in the U.S., and follow-up interviews in country. Although over 10,000 exit interviews were conducted, neither of the other two phases was implemented. In 1974, the American Institutes for Research was contracted to develop criteria and methodologies for an impact assessment, but A.I.D. never accepted or used the methodology.

The other notable finding of the Moser and Elmer study was the frequency with which the same recommendations were repeated over the years, often in the same country or region. All of the recommendations from the 1960s study cited above were among the eleven most frequent recommendations in other evaluations over the next 25 years, indicating a continuing inability to incorporate such findings in new projects.

2. Reports and Evaluations Leading to CLASP

The conceptual origins of the CLASP program are found in three key studies: the Report of the National Bipartisan

Commission on Central America (NBCCA); a GAO audit, "U.S. and Soviet Bloc Training of Latin American and Caribbean Students: Considerations in Developing Future U.S. Programs;" and an audit conducted by the A.I.D. Inspector General (IG) office, "A.I.D.'s Participant Training Program Can Be Made More Effective," (Audit Report No. 85-08).

The NBCCA, chaired by Dr. Henry Kissinger, was appointed by President Reagan to propose solutions to the political and economic crisis in Central America. The Commission's 1984 report outlined a broad program of support for the region and highlighted the need to deal with the social and economic underpinnings of the political problems. A primary conclusion was that the human resource base must be strengthened to provide an adequate foundation for viable democratic societies and social and economic development. The Commission recommended that 10,000 Central American students be given scholarships for training at U.S. academic and vocational/technical training institutions. It further recommended that (1) the program encourage participation of young people from all social and economic classes; (2) students receive adequate predeparture preparation in English and remedial academic training; (3) graduates be encouraged to return to their home countries; (4) Central American countries bear some of the cost; and (5) some of the scholarships be made available to mid-career public servants and university faculty exchanges.

The GAO audit, released soon after the NBCCA report, documented the scale of Soviet Bloc training programs worldwide and the sharp increase in scholarships for Caribbean Basin countries between 1977 and 1982. In 1982, the Soviet Bloc countries sponsored 83,500 participants worldwide while the U.S. sponsored only 12,500 individuals. The GAO noted, however, that government-sponsored students comprised only a fraction of the estimated 240,000 foreigners studying at U.S. universities in the 1981-1982 school year: the remainder were supported by family resources or nongovernment sponsors. The audit also found that individuals receiving Soviet Bloc scholarships were usually from less affluent families than those sponsored by the U.S.

In December of 1984, the AID/IG concluded an audit to identify major recurring problems in participant training projects. The audit found that many participants did not have adequate English language or academic qualifications to complete the training, that missions did not adequately follow-up on returned participants to assure utilization of their new skills, and that AID lacked the comprehensive and up-to-date information needed to manage the programs and control costs. The IG also

noted that despite spending billions of dollars on participant training over three decades, AID had no information or means of evaluating the impact and effectiveness of the training.

3. CLASP I Project History and Description

History. The Caribbean and Latin American Scholarship Program (CLASP) was initiated in 1985 as a response to the NBCCA report and incorporated many of the findings of the audits, reports, and evaluations discussed above. The CLASP program was authorized under two separate regional projects, the Central American Peace Scholarships Program (CAPS) (597-0001) and the Latin American and Caribbean Training Project II (LAC II) (598-0640), which included participant training in the Caribbean and Andean regions and in selected advanced developing countries (ADCs). The LAC II authorization was subsequently amended to include two subregional training projects--the Presidential Training Initiatives for the Islands Caribbean (PTIIC) and the Andean Peace Scholarships Program (APSP).

The CAPS project was authorized in 1985 to provide U.S.-based training for 7,000 Central Americans and subsequently amended to increase the training targets to 12,200. PTIIC, initiated in late FY 1986, provides U.S.-based training for approximately 1,525 people from the Dominican Republic, Jamaica, Haiti, and the Eastern Caribbean Islands. APSP was initiated in 1987 to provide similar training for 1,750 people from Colombia, Peru, Ecuador, and Bolivia. Participant training in four ADCs--Brazil, Mexico, Paraguay, and Colombia--was included in the LAC II authorization in 1985. In 1986, AID moved the funding for CAPS, PTIIC, and APSP from LAC and CA regional accounts to mission bilateral accounts, thus creating bilateral programs under a regional authorization.

CLASP was originally authorized at \$161 million and through a series of amendments gradually increased to \$282.7 million. The final CAPS obligations under CLASP I are scheduled in 1989 and the final APSP obligations are scheduled for 1990. The PACD's are in 1993 and 1994 respectively to allow adequate time for the long-term participants to complete their studies and return home.

Three Congressional earmarks have been funded under the CLASP umbrella: the Central American Scholarship Program (CASP) which began in 1985; the Cooperative Association of States for Scholars (CASS) which began in 1988; and the Leadership Center of the Americas (LCA) which also began in 1988. The International

Student Exchange Program (ISEP) in Georgetown University administers the \$34 million CASP project to train Central Americans in U.S. community colleges. Georgetown also administers the \$7 million CASS project to train 116 Central American and Caribbean youth through a pilot cost-sharing program. CASS is intended to develop the capability of participating U.S. institutions to provide suitable, cost-effective education and training programs for disadvantaged youth. The LCA program, administered by the Consortium for Services to Latin America (CSLA), consists of mid-winter seminars and summer internships in transnational corporations for 200 undergraduate students to establish a Pan American network of potential future leaders.

Unique Elements of CLASP. The CLASP program was different from most traditional training programs both in concept and implementation. CLASP combined economic development and strategic objectives and made a significant effort to incorporate recommendations from previous evaluations. The parallel objectives of the program were to counter Soviet bloc training in the region and to increase the number of U.S. trained individuals in planning, implementation, technical, management, and administrative levels. The strategic objective is met by careful recruitment and selection of Peace Scholars from socially or economically disadvantaged groups. CLASP program guidelines required that at least 70% of all Peace Scholars be disadvantaged and at least 40% be women. Subgroups within the overall target group, such as youth, rural people, community leaders, and the private sector, had no numerical targets. To meet these target group requirements, missions established recruitment procedures based on peer review and selection criteria that included economic means testing. This primary emphasis on selection of participants rather than field of training marked a significant departure from traditional participant training programs.

CLASP guidelines also required that at least 20% of all Peace Scholars be sent for long term training and that missions strive toward achieving a 30% long term target. Gray Amendment concerns were addressed by a program requirement to place at least 10% of the Peace Scholars in historically black colleges and universities (HBCUs). CLASP implementation concerns included substantial predeparture preparation and orientation, non-academic enrichment programs in the U.S. (Experience America), post-training follow-on programs in the home country, and systematic cost analysis and cost containment efforts.

The CLASP program has unusual administrative features stemming in part from the combination of regional and bilateral

projects under a regional authorization and project design. LAC/DR/EHR established several project support mechanisms to assist missions and contractors in understanding and implementing this new approach to participant training. These mechanisms include a process evaluation, monthly contractor meetings in Washington to discuss implementation problems, and annual CLASP subregional conferences in the field. USAID field missions were required to develop a Country Training Plan (CTP) with mission-specific objectives to provide a focus for the country program. While all CTPs conform to the overall CLASP goals, each mission was able to determine the most appropriate target groups and types of training for the host country.

Experience to Date. By September 30, 1988, 9,652 CLASP Peace Scholars had initiated training in the U.S. Approximately 26% of the Peace Scholars had been enrolled in long-term training, 41% had been female; and 82% have been socially or economically disadvantaged. By the end of the CLASP program on September 30, 1994, an estimated 17,500 people will have been trained.

Missions have developed specialized training programs for many nontraditional participants, including journalists, rural youth, rural mayors, and members of women's cooperatives. Missions have also developed a variety of innovative Experience America programs, including regular meetings with local government officials, community volunteer work, living on a farm, home stays and family sponsorships, and participation in team sports. Development of follow-on programs has lagged other components and is a recent innovation. Several missions have initiated interesting activities, including follow-up workshops, alumni associations, job banks, and small community project funds. Missions have also experimented with a variety of cost containment strategies, including group placement, negotiated tuition and fees, use of free public education, use of resident tuition rates with state university systems, cost sharing, long-term training in Spanish, and selective placement in low cost schools. The use of an improved training cost analysis (TCA) system has significantly increased mission awareness of and ability to control training costs.

As this brief summary indicates, the CLASP program has made a significant start in improving participant training and incorporating broader social objectives. The program has benefitted considerably from the diversity and creativity of mission programs. Significant improvements in program management have been achieved through the use of training cost analysis and information systems and missions have demonstrated that savings can be achieved through systematic efforts at cost containment.

Lessons Learned. These achievements notwithstanding, there are several operational areas in which missions continue to experience difficulties. Most of the problems stemmed from the need to introduce and implement a number of new concepts simultaneously, including the focus on disadvantaged groups, Experience America, follow-on, cost containment, and training cost analysis. The initial 1985 project design, which was concerned with training non-traditional target groups, has been refined by PP amendments and Bureau guidance as experience was gained. Numerical and target group quotas were introduced during project implementation. Some new components, such as Experience America and follow-on programs, were not clearly defined or budgeted and have required continuing supplementary guidance. As a result, some missions have had difficulties in implementing these components and meeting the numerical training targets without sacrificing program quality.

The combination of relatively general objective statements and a number of highly specific implementation requirements encourages missions to develop programs to meet the guidelines rather than to meet the needs of the country and participants. The problem of adhering to the structure without a clear sense of purpose is often manifested in weak or non-specific training plans, confusion about what should be included in the Experience America and Follow-on components, and inadequate lead time to prepare high quality programs for scholars.

There are many people involved in the project from participant selection through follow-on. Some people are continuously and directly involved while others, such as mission staff, change with some frequency. The people at U.S. training institutions are often removed from both the country of origin and the conceptual underpinnings of the project. CLASP is sufficiently different from traditional training programs that special orientation and training is required for mission staff and contractors if the objectives are to be achieved.

The implications of these lessons for the CLASP II design are fairly clear. The program should rely on clear and concise objectives rather than numerical targets to guide mission implementation. The Experience America and follow-on components must be explicitly planned, programmed, budgeted and fully integrated into individual and group training plans. In addition, regional oversight and training is needed to assure continuity and adherence to the program concept. The LAC Bureau needs to develop a concise description of what is expected from academic and technical training, Experience America, and Follow-on and distribute it to all missions and training institutions.

While the process evaluation has proven to be useful for AID/W, missions, and contractors, the summative evaluation was neither adequately funded nor planned and was in any case subject to evolving project objectives. The CLASP II project will establish an approved methodology and criteria for a summative evaluation based on a well articulated purpose and EOPS indicators, provide a realistic budget commensurate with the scope of the project, and integrate appropriate data collection into project implementation and monitoring.

In addition to these general lessons learned, AID/W and the missions have gained many insights into the details of program implementation, including recruitment and selection, pre-departure preparation, development of appropriate training requests, Experience America, and follow-on activities. These insights will be discussed in the CLASP II project paper in the appropriate section.

4. Rationale for CLASP II

The basic structure and intent of the CLASP program will remain unchanged in the transition to CLASP II. The primary changes involve clarification of objectives and implementation guidelines, an increased emphasis on selecting and training current and potential leaders, and increased mission responsibility for country needs analysis and program implementation.

The CLASP II program is designed to have a long-term impact on two factors which are critical to lasting improvement in the economic and social conditions in the region--(1) a stable social, political, and economic environment that is conducive to economic development; and (2) an educated and skilled population with capable leaders to manage and implement programs and policies.

The root causes of many problems in Latin American and Caribbean countries can be traced to historical development patterns and the prevailing social, political, and economic policies and institutions. Economic and political systems can either facilitate participation of the poor majority in economic progress or can limit broad-based social and economic growth, thus sowing the seeds for future upheaval. Many LDCs fail to develop leaders with a clear understanding of the relationship between a pluralistic society, free enterprise, opportunities for all citizens, and economic growth. The resulting limited access to opportunity for the poor majority is an important factor in the social and political instability of the region.

The importance of human resources to any country, whether industrialized or developing, cannot be overstated; everything from the broad directions of public policy to the management of individual firms and productivity of individual laborers rests on the skills, knowledge, and values of people. A nation's development potential is directly dependent upon the ability of its leaders to create an economic and political environment that encourages individual initiative and the ability of the people to understand and act upon the opportunities.

One of the most effective means of countering Soviet Bloc influence in Latin America and the Caribbean is to promote long-term stability through broad-based economic and social development. The foundation for such stability and growth, and the driving rationale behind the U.S. foreign assistance program, are national systems of free enterprise and democratic pluralism. Creation of adequate policy environments for development has been an explicit objective of A.I.D.'s program for the past eight years. The CLASP II program supplements the policy dialogue and supports this fundamental foreign policy objective by training leaders in LAC countries who are committed to developing and strengthening such systems.

U.S.-based participant training is a particularly appropriate and effective vehicle for strengthening societal commitment to and understanding of free enterprise and democratic pluralism. Participant training in the U.S. can expose foreign leaders to the values and mechanisms of democratic pluralism, volunteerism, equal opportunity, the free enterprise system, a free press, and respect for human rights. Furthermore, U.S. institutions can provide highly specialized training and practical experience that often cannot be obtained in-country. In addition to the quality of the training, a U.S. education can provide a significant career boost for talented young people, moving them into leadership positions from which they can work for change. Finally, the contacts and relationships established can strengthen cultural, commercial, political, personal, and institutional linkages between the U.S. and its closest neighbors. This combination of exposure to democratic values and institutions and their practical application in economic development, technical skills transfer, and establishment of human and institutional linkages can be a potent force for social and economic change.

The CLASP II project takes full advantage of the potential of U.S.-based training to develop technical skills, expose Peace Scholars to values and practices, and establish lasting relationships. The experience to date in implementing this

innovative program has provided many insights about planning Peace Scholar training programs to realize this potential and provide trainees with values as well as a technical education. These lessons learned have been incorporated into the CLASP II program design.

The primary refinement in CLASP program design for CLASP II is that the leadership criterion has been elevated from one of several factors to the primary consideration for Peace Scholar recruitment and selection. This change is designed to clarify the purpose of the program and to maximize the impact of high cost U.S.-based participant training by concentrating on individuals with the greatest potential for influencing the direction of their communities and societies. The project will provide leaders and potential leaders with training to significantly enhance their technical skills, leadership capabilities, career potential, and appreciation for the value of democratic institutions and free enterprise economies. This change requires a greater emphasis on Peace Scholar selection and program quality and relevance than on the number of participants.

A basic premise of CLASP which will not change is that opportunities must be provided to those people in LAC countries who have traditionally lacked access to economic and social advancement. The objective of strengthening democratic processes can only be achieved by encouraging economic and political participation of such groups. Another program element which will remain unchanged is that AID/W will continue to play an active role in monitoring program activities and assuring compliance with program objectives.

The CLASP II program is primarily concentrated in four Central American countries--Costa Rica, El Salvador, Guatemala, and Honduras--which collectively account for about 75% of the total mission (non-AID/W) funding. This concentration of program funding reflects the historical development of the CLASP program, starting with the NBCCA, and the continuing U.S. foreign policy interest in a peaceful transition to democracy in the region. Three of the priority target countries have fragile democracies, recently installed in the midst of civil strife, and a long history of military interference in politics. Only Costa Rica has a long history of stable, democratic government with productive, market-based economic policies. These countries have been the focus of U.S. foreign policy in the LAC region for the past decade, with concomitantly high levels of foreign assistance and will continue to be for the foreseeable future. Should U.S. funding levels in the region change drastically during the implementation of the project, the CLASP II funding allocations may be appropriately adjusted to reflect these changes.

Scholarship assistance for Nicaraguan refugees in Costa Rica and Honduras was proposed by USAID/Costa Rica to prepare for the eventual democratic restructuring of Nicaragua if and when political reforms are instituted. The proposal, to provide CAPS or CASP type training for refugees and families of ex-combatants, was not included in this project because no source of funding is available for assistance directed toward Nicaragua. USAID/Costa Rica was directed to consider seeking funds through the Nicaraguan Humanitarian Assistance Act and was advised that scholarship assistance such as that proposed would require Congressional approval. USAID/Costa Rica was also advised that similar refugee programs in South Africa resulted in large numbers of participants failing to return home.

B. Program Objectives

PROGRAM GOAL: To promote broad-based economic and social development in the LAC countries. Within this general long-term goal, the program has a specific sub-goal to encourage and strengthen free enterprise economies and democratic pluralism in the Latin American and Caribbean region. The goal level objectives are long term in nature. However, they provide the driving rationale for project design, participant selection, and nature of training under the CLASP II program.

PROGRAM PURPOSE: To equip a broad base of leaders and potential leaders in LAC countries with technical skills, training, and academic education and an appreciation and understanding of the workings of a free enterprise economy in a democratic society.

By the end of the program, the returned Peace Scholars are expected to be employed in their respective fields of expertise, applying the skills learned in the U.S., and to have benefitted from the program in terms of either finding an appropriate job or having increased responsibility or salary in an existing one. Furthermore, it is expected that returned Peace Scholars will be active and influential in community or professional affairs and that they will maintain some relationship with the U.S. Finally, Peace Scholars are expected to develop an understanding of some aspects of U.S. life, values, and institutions relevant to their own occupation or situation.

C. Program Description

CLASP II is a regional program consisting of 13 mission projects and an AID/W regional project. The participating missions are Belize, Bolivia, Colombia, Costa Rica, Dominican

Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Peru, and the Regional Development Office for the Caribbean (RDO/C). The AID/W regional project, a subproject of the CLASP II design, will consist of training activities established by Congress and directly managed by AID/W, program support, and program monitoring and evaluation services. The country projects will consist of short- and long-term participant training of host country nationals in U.S. educational and training institutions.

In order to establish a consistent regional framework of objectives and policies within which missions can adapt the project to country conditions, the project design responsibilities are shared between AID/W and the field missions. AID/W is responsible for establishing and ensuring adherence to program objectives and policies. USAID missions are responsible for developing and implementing projects that are responsive to the needs of the host countries and consistent with program objectives and policies.

This section of the Project Paper establishes the program policies and procedures that will be common to all mission projects and the AID/W project. These policies and procedures will be approved by the AA/LAC and this section will be incorporated in each mission project paper. The program goal and purpose stated above apply to all CLASP II projects in AID/W and field missions. Each country project under the CLASP II program may establish a project-specific purpose if needed, related indicators of achievement, and a five-year CTP to achieve the program objectives. In addition, every CLASP II project will include the following program elements and will conform to the following implementation guidelines. The common program elements are: Peace Scholar recruitment and selection; pre-departure orientation; technical and academic training programs; Experience America activities; follow-on activities; and evaluation.

1. Peace Scholar Recruitment and Selection

The CLASP II program has as its primary objective the training of current and potential leaders from fields judged as critical to the successful social and economic development of each country. Therefore, the recruitment and selection of appropriate individuals for training is of the highest priority. On the program level, leaders are broadly defined as those people who can influence the thoughts and actions of others through their skills, activities, or position. Such individuals can and should be found in all segments of society and in institutions

which can influence economic development and the growth of democratic institutions in accordance with program objectives. They may be found in community or popular groups, professions, ethnic groups, private sector businesses, scientific and intellectual circles, voluntary organizations, public sector and educational institutions, and cooperatives. Leaders may have direct influence through their actions as community organizers or indirect influence through teaching or journalism. In some cases, the focus may be on individuals who are already leaders. In others, potential leaders may be sought or developed in institutions whose effective functioning will contribute to economic development and stabilization of democratic institutions in the country. Given the diversity and complexity of leadership development, missions will have substantial latitude to define and identify leaders and potential leaders within the social and economic context of the host country.

Consistent with the intent of the program to provide opportunities for and develop leadership capability in less advantaged members of society, a minimum of 70% of the CLASP II Peace Scholars will be from socially or economically disadvantaged groups. In furtherance of the Agency's commitment to equal opportunity for women, at least 40% of the Peace Scholars must be female. In no case will long-term academic training be provided to individuals from economically or politically "elite" families who could reasonably be expected to attend U.S. schools using private resources.

The social and economic structures of the LAC countries are highly diverse; therefore no single definition of "disadvantaged" is appropriate for all missions. Under the CLASP I program (CAPS, PTIIC, and APSP projects), all of the participating missions have established working definitions and financial means criteria for selection of disadvantaged Peace Scholars. Missions may continue to use these existing definitions or may choose to refine them, if needed, based on experience or the results of the social-institutional study conducted for this project paper. It should be noted that the intent of the program is not to provide U.S.-based training opportunities exclusively to the "poorest of the poor", but rather to provide such opportunities to leaders in social and economic groups who would otherwise not have access to such training. Furthermore, socially disadvantaged groups need not also be economically disadvantaged--in some societies, middle income women and/or members of some ethnic groups may have limited economic and political participation.

Whatever the criteria established by the missions, it must be emphasized that the financially and politically privileged will not be sponsored for CLASP II training. While the definition of "privileged" will vary among countries in its

specifics, some basic concepts will apply to all missions. The "politically elite" will include the immediate family of all high level elected or appointed government officials and their immediate families with whom A.I.D. or the USG has such mutual interests that the appearance of conflict of interest would be likely. In most countries, this would include ministers of state and their subsecretaries or vice ministers, governors of central banks, heads of political parties, and other sensitive, highly placed individuals. Other USG resources, including the USIS International Visitors Program (IVP) program, are more appropriate mechanisms for sponsoring these individuals. It is emphasized that this criteria should not exclude elected officials at the municipal, provincial, state, or national levels from rural communities, disadvantaged urban areas, and/or those who are personally eligible under the financial means tests. In financial terms, the privileged consist of individuals who could reasonably be expected to finance a U.S. college education using personal or family resources. Individuals from financially privileged families will not be eligible for long-term U.S. training.

Given the nature of the target group, the procedures utilized in each mission to recruit and select Peace Scholars will be crucial in meeting program objectives. While each mission may establish its own administrative mechanism for recruitment and selection, a common element should be the active participation of local communities, institutions, and supervisors in selecting Peace Scholars, establishing training objectives, and planning training programs.

2. Training Objectives

The second major element, technical or academic training, is fully as important as Peace Scholar selection to the success of the program. Technical training can include on-the-job training, technical courses at community colleges or universities, short-term technology transfer, or a combination of these. Academic training includes any program at a college or university which will result in a degree. The program emphasis for academic training should be on undergraduate rather than graduate programs. Ph.D. level training is generally inappropriate. Observational tours, seminars, or conferences may be included as a component in either technical or academic programs.

All CLASP II Peace Scholars will attend technical or academic training programs in the U.S. lasting no less than 28 days. At least 20% of the Peace Scholars in each mission will attend long-term training programs of nine months or more. Each

mission will establish placement procedures to comply with existing legislation and Agency policy to place at least 10% of all U.S.- trained participants in historically black colleges and universities (HBCU).

The training to be provided will be appropriate to the needs of the Peace Scholar and make a substantive contribution to the Peace Scholar's career and leadership ability. The appropriateness of training must be considered within the context of the individual's occupation and leadership role. In some occupations, academic training may not be appropriate, while in others a degree may be a sine qua non of leadership. The high cost of U.S. training is justifiable only if missions assure that all training meets these criteria of appropriateness and substantive contribution.

In order to meet the requirements of being appropriate and substantive, training programs must be customized to meet individual or group needs. Missions will assure that every program meets all of the following training objectives for each individual or group:

- (1) Career advancement or enhancement of leadership role;
- (2) Enhancement of leadership and professional and technical skills that will contribute to economic development;
- (3) Substantial exposure to the workings of free enterprise economies and democratic pluralism as they relate to the Peace Scholar's own occupation as well as to national systems; and
- (4) Opportunities to build lasting personal and professional relationships with American citizens and institutions.

The contribution to career and leadership status may be the result of specific skills transferred, credentials obtained through the program, or the prestige associated with the program. In a long-term academic program, for example, the contribution may result both from the credentials obtained and the skills and knowledge transferred. A recurring problem in CLASP I has been the lack of accreditation of U.S. academic degrees in some countries. In those countries, missions will make every effort to facilitate transfer of academic credits and recognition of degrees and to assure that all Peace Scholars are fully aware of the problems, required procedures, and potential lack of accreditation. In the absence of recognized credentials,

the need to assure that the training provides Peace Scholars with appropriate and immediately applicable and employable skills is of even greater importance. Missions in countries with accreditation problems will review and justify all academic training to assure that the skills transferred are valuable in and of themselves and that the follow-on program is specifically oriented to assisting these Peace Scholars in transferring credits or finding appropriate employment in the field of training.

Short-term programs must be carefully planned to assure that the skills are relevant and appropriate to the Peace Scholar's situation. Case studies have shown that immediate results and application of knowledge are more likely with short-term Peace Scholars because they, unlike long-term Peace Scholars, are returning to an established position in the community. This also implies that the community judgement on the value of U.S. training will be relatively immediate. Therefore, it is particularly important that short-term training programs transfer specific technical skills to the Peace Scholars that are immediately applicable in the local community setting. This will be an important factor in enhancing the Peace Scholar's leadership status in the community. In some cases, it may be possible to enhance leadership status through prestige as well as specific skills - for example, a local teacher or principal who represents the country in an important international conference to discuss educational improvement may find his or her status in the community heightened just by participating in the program.

The enhancement of leadership qualities and skills can be combined with either or both of the technical skills transfer and Experience America activities. This objective can be achieved through activities which are appropriate to leadership development in the Peace Scholar's occupation. These activities may include workshops in parliamentary procedures, conflict resolution, managing cooperative and volunteer groups, setting priorities and objectives, improving public speaking skills, developing relations with funding organizations, project planning, management principles, time management, communication skills, career planning, or similar leadership skills as well as advanced technical training in an occupational area. All participants will attend group dynamic leadership training appropriate to the length of the training period.

Exposure to the principles and mechanics of democratic pluralism and free enterprise systems is a crucial but difficult component of the program. Experience in CLASP I has indicated that such ideas are transferred most effectively when viewed in the context of the Peace Scholar's own occupation or area of career interest. This component will be discussed at greater length in the Experience America section below.

Development of personal or professional relationships is one of the most challenging aspects to program but it is also one of the most important factors in Peace Scholar satisfaction with the program and understanding of the U.S. While it is not possible to program personal interactions, missions do need to take the necessary steps to maximize the probability of friendships and minimize the potential for conflict. This can be done by carefully screening and orienting potential roommates or host families and providing opportunities to meet with Americans who share personal or professional interests.

Achievement of all of these objectives for every Peace Scholar and group requires an emphasis on the quality of the training programs rather than on total numbers to be trained. In each mission project design, and in planning and implementing individual or group training programs, missions will maintain this emphasis on provision of appropriate, high quality training and educational experiences for each Peace Scholar with corresponding numerical targets. While cost containment will continue to be a management concern, it will be considered in the context of appropriate, high quality programs rather than in terms of relative cost only.

3. Detailed Training Requests

In order to program the requirements discussed above, missions will prepare adequate documentation for placement contractors and training institutions to plan a high quality program. This documentation will include all relevant background information as well as a training plan to specify the type and length of training to be provided, the nature and purpose of the Experience America activities expected, and the required follow-on activities to supplement the program.

The importance of adequate advance planning to assure high quality training programs cannot be overemphasized. Therefore, all missions will comply with the existing LAC Bureau program planning requirements, which are as follows:

- 1). Short-term technical training programs will require at least three months advance written notification consisting of a completed PIO/P or training request with all of the information discussed below.
- 2). Long-term technical and academic training require a minimum of six months advance written notification. For advanced acceptance at accredited institutions, full documentation of certified transcripts, letters of recommendation, medical clearances, and other required documentation must be received by the institution three to four months prior to the beginning of the program.

It is emphasized that the three and six month advance notification requirements are minimum planning requirements. The degree of detail and amount of advance planning needed may exceed this depending on the nature of the training program and the degree to which customized curriculum development is needed. In some cases, missions may require the training institution to make a site visit to better identify skill needs in the host country context. While this element of advance planning is often crucial to the design of an appropriate program, adequate lead time for planning must be provided to the trainers.

The training requests, prepared in collaboration with the Peace Scholar and his/her supervisors, will include all data relevant to the training program, such as language skills, background, literacy in the training language, level of academic qualifications, employment history, specific experience relevant to the type of training to be conducted, home country working conditions, and expectations of the program. The training plan will also specify the expected outcomes in terms of institutional collaboration, eventual use of the training, cost-containment guidelines, and other relevant data needed for planning purposes.

In addition to the information pertaining to the technical training component, each training request or PIO/P will include full information and clear instructions about Experience America and follow-on activities. The request for the Experience America component should specify the goal and desired content of the activities, relationship of the activities to the technical component and any relevant background information about the home country situation. The training request should also include any relevant personal information about the Peace Scholar, including interests, hobbies, or special skills, which may be useful in programming appropriate and interesting activities. The section on follow-on should specify the goal and content of expected follow-on activities and explain the relationship to the training component. If follow-on is to be contracted separately, this discussion should be included for information purposes to assist the placement contractor in program planning. (See Annex F for sample model PIO/P's for short-term and long-term programs).

As part of sound management of participant training, all missions will institute procedures to assure that Peace Scholars, their supervisors, and A.I.D. training personnel are fully aware of and in agreement with the objectives and content of the training and how it will be used when the Peace Scholar returns. Ideally, Peace Scholars and supervisors will actively participate in planning the training program. Particular care should be given to identifying how the training will be used after

returning home in order to include appropriate training objectives. For example, if the Peace Scholar is expected to train co-workers or give technical presentations in the community, an important program component would be materials and practice in training others.

Training plans for groups of Peace Scholars present special challenges for training institutions and must be adequately documented and planned to assure appropriate and high quality programs. The composition of the group must be adequately homogeneous in terms of background, level of expertise, and professional interests to enable the training institution to offer training which is relevant to each person in the group. Excessive diversity in training groups has been a recurring problem in CLASP I and missions should pay particular attention to group composition in the future.

All training programs will be fully funded prior to initiation of training activities. Each mission will assure that all Peace Scholars be reported to S&T/IT via the Participant Data Form (PDF). Missions will also assure that the required medical examination forms are submitted to provide enrollment in the health insurance coverage.

4. Pre-program Orientation

All Peace Scholars will receive appropriate and adequate orientation and pre-program training necessary to benefit fully from the training program. Such pre-program activities must include English language training if needed, remedial or preparatory academic training, cultural orientation to the U.S., familiarization with the institutions in which the Peace Scholar will be working, or other elements as needed. It is important that the Peace Scholars be prepared for what they will experience, emotionally as well as intellectually, and sensitivity training is encouraged particularly for disadvantaged rural Peace Scholars who may not be familiar even with urban life in their home country. The training institution or placement contractor who will be working with the Peace Scholars in the U.S. will be involved in the orientation whenever possible. Although all programs must include an orientation component in the host country, some pre-program training may also be conducted in the U.S. when appropriate and cost-effective.

Pre-program orientation is also appropriate and necessary for host families, roommates, and host communities or institutions. The cultural exchange and sensitivity is a two way street with requirements on both ends. Intercultural relationships are more likely to be successful if each party has some understanding of the other's situation.

All pre-program expenses, whether incurred in the home country or in the U.S., may be financed with program funds. While there is no specific limit on the length and content of pre-program training, it is emphasized that all in-country training must be preparatory for a substantive U.S. training program.

5. Experience America

All training programs will include exposure to American life and values, particularly as they relate to democratic institutions, free enterprise, and the development of personal and institutional relationships between Peace Scholars and Americans. Each participating mission will develop appropriate Experience America (EA) activities for each Peace Scholar or group of Peace Scholars which will complement and supplement the technical and leadership skills components. For programming purposes, the EA component will be a formal component of all contracts and training requests and will be fully integrated into the overall training plan.

Experience America is an experiential and participatory, rather than observational, approach to understanding the United States. These activities should make the exposure to values, principles of democratic government, American lifestyles, and U.S. institutions a personal and relevant experience. It is for this reason that visits to shopping malls and sporting events, while enriching, should not comprise the whole Experience America component.

The importance of developing personal relationships with Americans cannot be overemphasized, as these contacts often make a strong impression on Peace Scholars. While such relationships cannot easily be programmed, opportunities to develop friendships can be provided through homestays, American roommates, and mentor or host family relationships. Experience has shown that Peace Scholar placements in homes or with American roommates are particularly effective, but must include adequate advance planning for the selection and orientation of the participating Americans. Missions should emphasize to placement contractors that Americans who are hesitant or doubtful should never be "talked into" participating in the program, particularly for long-term homestays. Finally, some CLASP Peace Scholars from disadvantaged backgrounds will find assimilation difficult in middle class American communities. Therefore, Experience America planners should be sensitive to the cultural adjustment required and make the activities as personalized as possible.

In addition to the personal relationships established, the EA activities should illustrate the mechanics of how democratic values and a free enterprise system work together to provide opportunity and development. Each mission will identify particular values or institutions which are particularly relevant in the host country context. Among those that may be appropriate are the following:

- 1) The importance of individual initiative in the U.S. economy and social/political system;
- 2) Volunteerism as a cornerstone of democratic participation at all levels (community, state, and national);
- 3) Social mobility as a result of individual effort and achievement;
- 4) Local community organization and control as the first step in the political process;
- 5) The free market and its interrelationship with democratic institutions and processes;
- 6) The relationship between citizens rights and responsibilities (taxes and voting, etc);
- 7) The melting pot and ethnic diversity as a richness and challenge;
- 8) Social responsibility of the private sector;
- 9) The role of constitutional protection of basic rights in facilitating economic and social participation; and
- 10) Mechanisms for fostering public-private partnerships to address key concerns, such as environmental issues, low-income housing, and economic development.

Although the values and institutions discussed above are presented in general, even theoretical terms, in most cases the training program will not be structured solely as a lecture or academic presentation. Rather, the Experience America activities can illustrate these values and principles through interaction with American organizations or individuals and supplemented with discussions. These experiences can be made more meaningful if they are associated with the Peace Scholar's area of expertise. Visits to or on-the-job training in community development corporations, health clinics, business firms, day care centers, cooperatives, or farms can help to make the experience relevant.

The intention is to present a balanced view of the U.S., of the common American situation, with an emphasis on the positive. Therefore, while exposure to the less attractive aspects of American life probably cannot and should not be avoided, it is appropriate that they not be emphasized. The Experience America activities should not present a overall negative impression of the US. For example, home stays, when appropriate, should be with mainstream, middle class American families.

It goes without saying that no training program of any length can enable Peace Scholars to experience all of America: the cultural, political, geographical, and institutional diversity of the U.S. is far too vast. Therefore, each mission should identify those areas that are most appropriate or applicable to the host country. Relevant Experience America activities for one country may not be appropriate for others. For example, the developing democracies of Central and South America may have particular interest in and need for learning about the forms and procedures of institutional interaction in a democratic society. The relationship of local and national government to public opinion and local organizations, the social and economic role of the private sector on all levels, or the functioning of the press are all potential topics of interest. However, in countries with long traditions of democratic government, a more appropriate program might focus on the differences in systems, or the role that progressive private companies can play in social and economic development.

In every case, it is important that the observations and discussions include not only what is done, but why. A focus on the values and principles that underlie democratic pluralism is essential to understanding how the system works. Finally, programs should help Peace Scholars relate their experience in the U.S. with their home country situation. This is most effectively done by emphasizing basic values and approaches rather than the surface differences in wealth or resource levels.

In-country Follow-on Programs. One of the most common findings of evaluations of Peace Scholar training programs over the years has been the importance of providing follow-on support to help Peace Scholars use their training after returning home. The inclusion of such programs was an integral part of CLASP I and will be expanded under CLASP II. As with the Experience America component, follow-on programs will be incorporated into the overall training plan for each Peace Scholar or group of Peace Scholars.

A basic component of all follow-on programs will be an institutional mechanism for maintaining contact with returned

Peace Scholars. This may consist of an alumni association, periodic reunions organized by USAID or a local PVO, attendance at occasional U.S. community functions, Embassy receptions, a newsletter, maintenance of address lists, or similar tracking activities. An imaginative way of keeping track of former Peace Scholars is being tested in USAID/El Salvador's "Book of the Month Club". This program encourages returned Peace Scholars to maintain their current address on file in order to receive an appropriate technical book each month. Whatever system is used, each mission will maintain some minimal level of effort to assure that all Peace Scholars maintain periodic contact with Americans and other returnees. The CLASP II follow-on activities will be integrated to the maximum extent possible with CLASP I follow-on.

Beyond this basic level, follow-on programs should be designed to meet the needs of returned Peace Scholars. Since each country program will be somewhat unique in terms of the target groups and types of training, no one design for a follow-on program will meet every mission's needs. In general terms, follow-on programs should assist the returned Peace Scholars to overcome obstacles to applying their new skills or should facilitate their exercise of leadership roles in their communities.

Most country projects will include both short-term technical and long-term academic programs in a number of technical fields. Consequently the follow-on programs will include different activities for each type of Peace Scholar as appropriate. Long-term academic Peace Scholars, for example, may require the services of a job bank or former Peace Scholar networking to find employment in his or her field of expertise. In some countries, specialized assistance in transferring U.S. academic credits for home country accreditation will be necessary.

Most short-term Peace Scholars will already be employed and will therefore require different types of follow-on assistance. Projects may provide materials or even technical assistance to facilitate application of the new knowledge in a host country institution. In some countries, follow-on in-country training may be provided to the Peace Scholar to facilitate acceptance and implementation of new approaches. Some missions have established special funds to finance community improvement projects initiated by returned Peace Scholars, while others have encouraged linkages to appropriate existing mission projects, such as the RTAC book project.

The follow-on programs should be integrated into the overall training request and be consistent with the program objective of enhancing the leadership potential of the Peace

Scholars. The follow-on activities should also be concerned with maintaining personal, professional, and institutional relationships with American individuals and institutions as appropriate.

The successful development and implementation of appropriate follow-on activities will require continuous and directed effort. Therefore, each mission will establish a full-time position, financed either with operating expense (OE) or project funds, dedicated to follow-on activities. In some missions with small projects, a part-time position may be adequate. Whenever possible, follow-on programs should be integrated into the activities of participating host country institutions and businesses to provide an institutional base for continuing support after the end of the project. In all cases, the follow-on program must be planned and initiated during project start-up.

6. Cost Containment

The containment of training costs has been an important component of the CLASP I program from the beginning and will continue to be integrated into all program activities. Cost containment comprises the use of Training Cost Analysis (TCA) methodology as well as placement in lower cost training institutions, negotiation of preferential or concessional tuition rates, and cost-sharing arrangements with training institutions.

All missions will use the Training Cost Analysis (TCA) methodology for estimating training costs, preparing RFPs and evaluating bids, and monitoring contractor compliance. Most missions are already using TCA as was mandated by the Agency in October 1988. AID/W will continue to refine the TCA methodology and assist missions in implementing it for this project. A description of TCA and sample TCA reporting forms are included in Annex G.

Cost containment measures instituted by missions have included cost sharing, negotiated reduced or in-state student tuition, and placement in less expensive colleges and universities. Some missions have focused on reducing program preparation costs by encouraging in-country English language training or in some cases providing long-term training in Spanish. Conceivably, one of the most effective cost containment measures has been the use of TCA to increase the competitiveness of bids and the missions' ability to analyze them.

Cost containment should be considered in goal-oriented project level terms, keeping in mind the maxim "penny wise, pound foolish". For example, cost-cutting measures which adversely affect the Peace Scholars' comfort or health or the technical quality of the program are illusory if they result in the project objectives not being met. Conversely, increased expenditures and effort in Peace Scholar selection, preparation and orientation which reduce the number of failures in long-term programs may represent an overall cost savings.

While cost containment will continue to be an important element of the project, it is a management tool rather than an objective in itself. Missions will keep this distinction in mind to assure that program quality is not sacrificed for cost savings. Missions should continue to emphasize to placement contractors and training institutions that living allowances established in Handbook 10 are not to be reduced for purposes of cost containment without an allowance waiver from OIT. Furthermore, placement in a low-cost training institution is only justified if that institution offers appropriate training in the subject required. The participation of leaders and potential leaders requires that program quality be maintained.

7. Summary of Program Requirements

- At least 70% of Peace Scholars will be socially and/or economically disadvantaged. Each mission will determine appropriate definitions of what constitutes disadvantaged in the host country.
- At least 40% of all Peace Scholars will be female.
- All CLASP II Peace Scholars will attend technical or academic programs in the U.S. lasting no less than 28 days. At least 20% of all Peace Scholars will attend programs lasting nine months or longer.
- No fewer than 10% of all Peace Scholars will be trained in Historically Black Universities and Colleges (HBCUs).
- Advance planning of at least 3 months is required for short-term programs and 6 months is required for long-term programs.

- Although cost containment continues to be an important management consideration, program quality is not to be limited to achieve cost savings.
- All CLASP II training programs will include significant and appropriate Experience America and Follow-on activities.
- All participating USAID missions will implement TCA in program planning, contracting, and reporting.

III. COUNTRY PROJECT DESCRIPTION

A. Mission Background and Rationale

Bolivia, located in the heart of South America, is characterized by an astonishing diversity in its physical geography, its climate, and in the kinds of people which comprise its population. The country, which is about one and a half times the size of Texas and which has a population of between 6.4 and 6.8 million inhabitants, is traditionally described as encompassing three main geographic and climate areas -- the Altiplano, the high valleys and the eastern lowlands. Such a scheme, however, barely hints at the diversity of ecology and human variation or at the kinds of successful adaptations which present-day Bolivians and their ancestors have made to difficult circumstances in the physical environment. While survival under these conditions has been possible, Bolivia remains -- as all major social indicators continue to demonstrate -- one of the poorest countries in the Western Hemisphere.

Bolivia is predominately an agricultural country with between 49% and 54% of the population living in rural areas and over 42% of the economically active population involved in agricultural production. This participation rate is certainly understated since women -- who undertake many farm chores -- are barely represented in the official labor force estimates. Agriculture, however, provides only about 22% of Bolivia's Gross Domestic Product (GDP) demonstrating the very low standard of living of the greatest part of the population.

Ethnically, a high percentage of the population of Bolivia -- especially those living in rural areas -- can be classified as indigenous or Native American. These people are culturally and linguistically distinct from the Hispanicized urban classes which are, in general, in control of the major economic and governmental institutions of the nation. A discussion of this

ethnic diversity begins with the categories which Bolivians themselves recognize: campesino, mestizo and blanco. It is important to note that these groupings are more sociocultural than racial. Social mobility is possible and frequent among them (especially between the categories of campesino and mestizo, and mobility attained with the passage of generations). Nevertheless, the social hierarchy which places indigenous people at the bottom of society is still deeply ingrained in the Bolivian culture, especially among the middle classes and the elites. Andean people -- especially rural speakers of Quechua and Aymara -- suffer considerable discrimination in education opportunities, in job opportunities, and in the possibilities for social advancement.

The ethnic dimension is most confusing among that group labeled campesino. In the Andean highlands, "campesinos" are descendants of indigenous peoples who organize themselves at the local level in ways which are rooted in colonial and even pre-Hispanic forms and who may retain certain outward symbols of separate identity, such as distinctive styles of dress or characteristic interaction styles. In the eastern lowlands, there are many campesinos who are not of Indian origin. At the same time, there are eastern lowland Indians who continue to speak native languages and, in many cases, to live in a traditional economy based on gardening, gathering, hunting and fishing.

Much of the population of rural towns and of the working and lower middle class of the cities could be classified as mestizo, which implies in Bolivia an intermediate sociocultural category between the rural campesino and the cultural descendants of European culture who now form the country's elite. This too is a difficult group to characterize since in many contexts the word itself, like "Indian", can be considered pejorative. In provincial towns, the mestizo group is frequently in control of local government and commerce, relying on campesinos as their clients. In many areas, they control greater amounts of agricultural lands than the average campesino household using the campesinos as a source of labor. In highland cities, the mestizo group makes up the bulk of lower and middle social strata occupying positions such as skilled/semi-skilled laborers in factories or construction, as artisans in small-scale urban manufacturing, as owners and managers of small and medium commercial establishments, and as the group which supplies the white-collar workers at the lower and intermediate levels of the government bureaucracy, state-owned enterprises, finance and other service industries. Mestizos may speak a native language yet will prefer to speak Spanish in most social situations,

especially with social superiors or outsiders. They participate in a wide range of social institutions which link them to rural areas, but always in a hierarchical way. While they are likely to consider themselves Bolivians; their primary identification is a regional one and they will deny emphatically a participation in an indigenous identity.

Finally, the country's economic and political elites -- the blanco group -- are those who own or are major investors in the large commercial establishments and import houses, who direct and manage the larger-scale private industry (a small sector in Bolivia); who control, in the departments of Beni and Santa Cruz, large expanses of land used for cattle raising and agribusiness, and who are the nation's recognized leaders at the highest levels of government and within the nation's political parties of all persuasions (with the exception of the indigenous parties). Members of all the "elites" frequently have intermarried with foreigners; their children often study abroad (especially in the United States), and family members may reside permanently outside the country. Their sense of identity, while participating in an international context, is still rooted in that of being a Bolivian. But among this social group there is often considerable ambivalence about their country: on the one hand, they feel a deep sense of patriotism and love; and yet there is also expressed a kind of disappointment, irony, even shame, that Bolivia is not more economically and socially advanced than it is.

The economic conditions of Bolivians of all ethnic groups have experienced a generalized deterioration in the last decade. This has been linked to a series of conditions within the domestic economy and in the international arena, from accumulated international debt and high interest rates, to mismanagement and deterioration of state-owned institutions, to the unpredictable fluctuations of raw material products. The mining sector, for example, which has contributed most to export earnings has experienced a near collapse. The agricultural sector which is the greatest source of employment has received little direct investment over the last decades (with the exception of the Santa Cruz department). Most highland producers, who often find themselves facing desperate shortages of land and other productive resources, use ancient technologies with few or no modern inputs and their agriculture is characterized by very low productivity. The worsening of economic conditions has had its impact on the public sector as well limiting the resources available to such necessary public services as health and education.

One sector which has demonstrated recovery in recent years is the small industry and informal sector -- including for the

most part, those economic activities not regulated by law or not plugged into the formal business structure. These activities include small industry and artisanry, micro-commerce and the sale of contraband. While accurate figures on the informal economy are exceedingly hard to compile, recent studies suggest that perhaps half of the GDP has its origin in the informal economy. If this is true, it would suggest that the informal economy now has a decisive importance in the national economy.

This review of the economy indicates the difficulties Bolivians in the two lower level ethnic groups have faced in recent years in simply earning a living. The challenges faced by small-scale agriculturalists, for example, are quite severe. Combined with the uncontrollable problems of climate, drought, and disaster, peasant farmers face even greater obstacles in the sale of agricultural products when there are downward pressures on the purchasing power of urban consumers. In the cities, wage rates have remained very low in the context of government restraint in the public sector and high unemployment. Indeed, the current minimum wage in Bolivia is only Bs.60 (or less than US\$ 20) per month. While one assumes that no one is living on such a small income, it demonstrates the lack of upward pressures on the wages of the lower segments of the society.

USAID/Bolivia, in front of the above cited economic problems, has established as one of its three major Mission goals the growth of the Bolivian economy through supporting the financial and economic reforms instituted after 1985 and in working to increase economic production, especially in the private sector. This implies a range of project and non-project activities, including the streamlining of bureaucratic procedures in the economy, project support for agriculture and for small business, export promotion, the development of financial markets, and through the training of a cadre of economic specialists and managers who will eventually be in positions of influence.

Related to the growth of the economy are those concerns which address the issue of equitable growth and the standard of living of all Bolivians, especially those at the lower economic levels. In the first instance, one aspect of the Mission's strategy of increased production is the idea that some of these benefits will reach the poorer classes. Issues of relative equity are also addressed in the focus on maternal and child health and in project support for the stability of democratic institutions. The Bolivia Peace Scholarship Project (BPSP) will support both the goal of broad-based economic and social development as well as equitable growth and improvements in the standard of living of lower and middle income Bolivians.

Another of the Mission's three major goals is the promotion of democratic institutions and practices through programs for improving the administration of justice and for strengthening democratic institutions. In the justice sector, programs are underway to make the system more efficient as well as to strengthen and improve the justice process. In the democratic initiatives area, the focus is both on improving the electoral system and process as well as upgrading the legislative branch. While most of the efforts are at the national level, there are activities reaching out to the grassroots level -- especially the National Commission for monitoring the system of justice. The BPSp program will complement the Mission's democratic initiatives program by developing, at the community level, groups of returned Peace Scholars who have directly experienced how the democratic system can positively influence the lives and wellbeing of people. The Experience America portion of the program will provide the opportunity to witness firsthand the operations of the U.S. electoral system and local and state government in action. Also, where possible, there will be an orientation as to how the U.S. court system operates, especially to protect the rights of the individual citizen.

The Andean Peace Scholarship Program (APSP - CLASP I) is BPSp's predecessor in Bolivia. It began in 1987 and has, since its initiation, sent 244 short-term and 68 long-term Peace Scholars to the United States for training; another 100 short-term and 20 long-term scholarships are still to be awarded during the rest of 1990 and in 1991. Understaffed, and with something of a slow beginning, the APSP has accomplished a great deal in the selection, orientation and subsequent U.S. training of a wide range of people from various social strata. Short-term training included such various themes as knitting and weaving, journalism, Mother's Clubs, farm management, town mayors, video techniques and production, medical and health technicians, forestry technicians, labor leaders and English teachers. The long-term training provided opportunities for university professors in economics and public administration as well as for English teachers to study in the U.S. The APSP program in Bolivia, therefore, has already had many successful group training programs in spite of such obstacles as changes in personnel and varying support for the program at different levels in the Mission. It has laid the groundwork for a successful training program in the future and has, as will be described in Section III-C (Project Activities), anticipated many of the training themes that are included in BPSp.

B. Mission Objectives and Strategy

Project Objectives. The Mission Project Goal is to promote broad-based economic and social development in Bolivia. The Project Sub-goal is to encourage and strengthen free enterprise within a system of democratic pluralism.

The Mission Project Purpose is to equip a broad base of leaders with technical skills training as well as with an appreciation and understanding of the peculiarly American values supporting a free enterprise economy in a democratic society.

The outputs of the Bolivian Peace Scholarship Project will be 240 participants who receive Short-term Technical Training (an average of six weeks in duration) in the U.S. and 60 participants who complete Long-term Technical Training (ten weeks) in the U.S. All participants will be leaders or potential leaders meaning they will have an impact on a much larger number of other people in their communities and societies -- above all among the most disadvantaged social and economic groups. The participants will be selected from five critical economic/social areas which contribute most to Bolivian social and economic development as related to disadvantaged groups and which coincide with the guidance provided by the USAID/Bolivia 1990/1991 Action Plan.

The inputs to be provided by the Mission for the Project include: (1) \$1,861,300 for short-term training, (2) \$1,499,400 for long-term training, (3) \$982,700 for administrative costs, and (4) \$156,600 for evaluations and audits. The Government of Bolivia (GOB) will contribute the following U.S.\$ equivalent in local currency from the ESF program: (1) \$324,000 for short-term training, (2) \$89,300 for long-term training, (3) \$639,500 for administrative costs and international travel, and (4) \$100,500 for audits. In addition, there will be an in-kind contribution by the Bolivian participants' sponsoring institutions (salaries) of \$346,700.

Mission Training Strategy

In general, the objectives of the Bolivian Peace Scholarship Project are a continuation of those of the Mission's first CLASP program -- the APSP: that of supporting the social and economic development of Bolivia through the promotion of democratic institutions and democratic pluralism, as well as the encouragement of a free enterprise economy. BPSP, like its predecessor, is designed to reach levels of society which generally do not have access to U.S. training by requiring that 70% of the participants be from disadvantaged groups and 40% be

women. BPSP, however, adds a new dimension -- the importance of selecting leaders, actual and potential, who can maximize the impact of their U.S.-based training by influencing the direction of their communities and societies. These two goals may, in the case of Bolivia, be hard to combine. The most disadvantaged -- the campesinos described in an earlier section -- may not include leaders who can benefit from technical training in their fields of activity or who can widely transmit a positive view of American society.

It is for this reason that the Bolivian Peace Scholarship Project places less emphasis on sending the very poorest of the poor than may have been expected -- such people as the Quechua- or Aymara-speaking peasants or the street sellers of the cities. Rather, the program favors, as the prime target group, younger people who work in various intermediary institutions among the peasant population or among the poor populace of marginal neighborhoods in the cities. This decision was not taken lightly. However, many observers with long experience in rural highland Bolivia feel uneasy about the potential impact on the most traditional Andean folk of the drastic changes that they would experience upon arrival in the U.S. Given the predominately short-term nature of the training, most of that time might be lost in making basic adjustments to daily life and the training would become secondary to the adaptation efforts.

The focus on intermediary (e.g. mestizo) groups should strengthen the overall impact of the program in terms of the spread effect. They will have greater contact with a larger number of people in their communities or societies. For example, a young rural extension agent or health technician may already work with fifty very poor families. In the course of moves over a period of years, that number will grow at least to several hundred. If a rural worker such as this advances in the institution and gains in authority, the direct impact may be even greater. It should be noted that the income levels of technicians and managers at the local level, given the state of the economy as described earlier, will result in these rural and even many urban workers meeting the criteria used to identify the disadvantaged.

The two basic priorities of the Bolivia Peace Scholarship Project are to take advantage of its limited resources for the best possible technical training for the Peace Scholars, and to also create a broad base of friends for the United States among leaders throughout the various strata of Bolivian society. The technical training needs of Bolivia are especially acute given its level of poverty and its lack of skills and technical

specializations in many areas. Thus, the objective of BPSP is to address the development needs of Bolivia and, by focussing on leaders, to offer a valuable spread effect in terms of communicating a broader understanding of American society. Bolivian development needs are reflected in the USAID/Bolivia 1990/1991 Action Plan which, as mentioned earlier, has as one of its major focusses the encouragement of economic stabilization and growth and increased production in agriculture, private sector enterprises and exports. This focus is complemented by the concern for equitable growth and an improvement in the standard of living of all Bolivians. Finally, USAID/Bolivia's program also addresses maternal and child health and the stability and growth of democratic institutions.

Because the BPSP program addresses the priority development areas outlined in the Action Plan, great care was taken to complement -- not duplicate -- other Mission training activities. Some of these activities were the training components of the various development projects. Another was the Mission's Training for Development (TFD) Project which is also directed to leaders and policy makers but only those at the highest levels of government and private sector institutions. The TFD Project focusses on advanced and graduate training in the U.S. in the areas of public and business administration, economics and management which will more likely include candidates from higher socioeconomic levels than those of the BPSP Project. In any case, great care has been given to defining the BPSP training objectives so as not to duplicate those of TFD.

As a result of analyzing both Bolivian development requirements and the leadership characteristics of the various Bolivian economic and social sectors (See Summary Analysis A; Social/Institutional Analysis), the following five areas or training themes were identified as primary for future Bolivian development, and in need of leadership improvements:

- (1) agricultural production techniques for small farmers;
- (2) small business and cooperative management skills as well as related local and regional marketing techniques;
- (3) infant and maternal health care;
- (4) non-formal education and communications ("popular education," literacy training, the creation and dissemination of pedagogical materials for adults);
- (5) natural resources management and environmental concerns.

Candidates may come from government institutions but the large number of PVOs and private enterprises in Bolivia working in the fields cited above will also be consistently called upon as partners in identifying and recruiting candidates at the local level. The areas from which most candidates are selected will complement (rather than repeat) those zones where USAID/Bolivia is already most active with large projects. This implies a preference for those departments that have received less attention from project activity, and which more rarely receive scholarship opportunities (i.e. Oruro, Potosi, Chuquisaca, Tarija, Beni and Pando).

Not only do the five selected training themes reflect the goals of the USAID/Bolivia Action Plan but they reflect a range of issues and interests articulated by development specialists as being of central importance to Bolivia. With respect to agricultural production, small farmers, both in the highlands and in the tropics, continue to be the largest single identifiable economic group in Bolivia; and agriculture is still the largest productive sector in the economy. The drastic reduction in the mining sector in recent years has led planners to look to agriculture as a future source for economic growth in Bolivia, both for local markets and for export. The BPS preference for the disadvantaged suggests that training should be oriented to specific problems confronting (and to particular opportunities to be found in) small-scale agriculture and livestock production, taking into account the peculiarities of Bolivian peasant and small production systems.

A second priority for the training of leaders is to be found in the general area of organization, management and marketing. This focus should emphasize especially the specific skills related to the management of small and medium size private enterprises as well as such other kinds of organizations such as cooperatives, producer associations and service organizations (especially those related to agricultural commodities, animal products and handicrafts). These products which are produced by members of small organized groups are of extreme importance in Bolivia today, and are directly related to the first theme which is agricultural production. Such training and development in marketing is important to the alternative development initiative in tropical areas of Cochabamba; but the marketing of small farmer products is also a bottleneck in most other attempts to raise smallholder household income through small-scale development initiatives throughout the country.

Similarly, the training of leaders in organizational issues and the management of human and financial resources is of utmost

importance as the lower strata of society attempt to move from the indigence of subsistence agriculture or daily wage work to a more entrepreneurial model of production. Here too, the preference for leadership training should be realized through choosing leaders from organized groups who have already gained some expertise in these areas.

The problems of maternal and child health are still very grave in Bolivia. The conflicting figures surrounding infant mortality cannot hide the fact that only through increasing the number of community and organizational leaders who are trained in the health dangers facing mothers and infants, and who can introduce and spread improved health practices in both rural and urban areas can major strides be made in improving the status of these social groups.

A focus on the environment and on natural resource management allows the BPSP program to sponsor the training of a group of leaders at an advanced level who will be sensitized to both the issues of the sustainability of production systems and to the more general issues of conservation, natural resource management and occupational health. Natural resource professionals in Bolivia will be in a position to join in debate on the most effective forms of social forestry, on the appropriate management of grazing regimes, and the agricultural uses of local and regional ecological zones. This theme is also an avenue for the introduction of new ideas on integrated pest control management, on occupational health for small farmers, and on environmental pollution and conservation issues in the lowlands.

Finally, the last training theme will be directed to non-formal training -- the procedures and technologies by which information from the above development themes and other themes of developmental importance are transmitted to those engaged in an economic or social field. An important element of BPSP is influencing the direction of the participants' communities and societies. Non-formal education techniques will first assist in providing the basis for understanding any new information (i.e. literacy training) by those living in the target communities. Furthermore, it will assist returning participants in any field to communicate the new techniques and procedures which they bring back from their U.S. training. It is the multiplier agent of the Project.

Leaders from each of the preceding themes have considerable influence in the specific areas in which they work; both the techniques they learn while in training and the experience of

American life will be diffused through the specific groups with which they work. The APSP (CLASP I) program in Bolivia, as was discussed earlier, has already pursued a number of the training themes outlined above.

C. Project Activities

1. General Project Orientation

The Bolivian Peace Scholarship Project is part of a regional program which establishes certain guidelines to be followed by all Missions in the LAC Region (See Section II-C; Program Description). In order to adapt the regional framework of objectives and policies to conditions in Bolivia, a Social/Institutional Framework (SIF) was completed in June, 1990 (See Section VI-A; Social/Institutional Analysis). The Bolivia Peace Scholarship Project, however, adheres to all of the program policies and procedures established by the regional program. Each policy/procedure will be discussed separately indicating how regional guidance has been integrated into the BPSP program.

a. Peace Scholar Recruitment and Selection

As previously indicated, all BPSP participants will be actual or potential leaders from fields critical to the successful social and economic development of Bolivia. Furthermore, 70% or more of the BPSP Peace Scholars will be from socially or economically disadvantaged groups and at least 40% will be women. No one from the "elite" groups in Bolivia will be selected as a Peace Scholar. Definitions of "disadvantaged" and "elite" have been established to make certain these goals are met (See pages 40 - 41).

b. Training Objectives

USAID/Bolivia fully recognizes the importance of the technical and academic elements of the program -- elements perhaps of even greater importance to Bolivians given their difficult access to U.S. training. All participants will be programmed for at least one month of U.S. training and every effort will be made to permit 20% of the participants to attend long-term training programs of nine months or more. Similarly, the Mission will place at least 10% of all participants in historically black colleges and universities (HBCUs). All training will contribute to the enhancement of each participant's technical skills and leadership qualities; elements important for career advancement. Participants will be exposed, as part of their training, to the operations of a free enterprise system and

democratic pluralism as they relate to their fields of interest. Finally, to the extent possible, the Peace Scholars will be given opportunities to develop longer-term relationships, especially with individuals and institutions in their areas of technical specialty.

c. Detailed Training Requests

USAID/Bolivia, in the implementation of APSP, has developed a detailed format for informing the training contractor of the desired training program. In order to improve this process, details on BPSP training programs were included in the SIF so that the process could start long before the desired starting date of each program. This includes not only the technical elements of the training but also information on Experience America and follow-on. A representative of the training contractor has in the case of APSP and will continue during BPSP to visit USAID/Bolivia to participate in the development of the training proposals. This greatly enhances the communication process. The Mission will allow at least three months in the case of short-term training and a minimum of six months for long-term training for training proposals to be processed by the training contractor. Participants and their sponsoring institutions will be invited to participate in drafting the training proposal and information about each participant will be included.

d. Pre-program Orientation

A program of pre-departure orientation has been perfected in the process of implementing APSP. At the very initial meeting, participants and their sponsoring institutions are fully briefed on the procedures, conditions and responsibilities they must agree to upon accepting a Peace Scholarship. Upon receiving the scholarship, the participant and his/her sponsoring institution are once again informed in writing of these responsibilities. A lengthy pre-departure program has been developed whereby participants are advised of life in the United States, of the details of their training program, of the health and safety precautions they should take, of who is responsible for their program, and of facts about the geography, history and current events of Bolivia so they can better inform U.S. citizens about their country. They are given a "crash course" in survival English. Upon their arrival in the U.S., the training contractor will complement the pre-departure orientation with additional information about life in the U.S., about their programs and about the administrative details of their scholarship.

e. Experience America

Experience America (EA) is a critical part of the Bolivia Peace Scholarship Project. Training proposals will include appropriate guidance on how participants will be given the opportunity to actively participate in daily life in the U.S. Certain values will be stressed such as individual participation, volunteerism, social mobility based on effort and the free-market/democratic process in action. A portion of EA will be incorporated into their technical programs so that longer-term relationships can be established with the individuals and the institutions with which they are working. APSP returnees have also indicated an interest in meeting people outside their field to gain broader insight into a cross-section of U.S. life.

f. Follow-on Program

The Mission has already, under APSP, developed a program of follow-on activities. Through post-training seminars, participants are encouraged to maintain contacts with those in their training group as well as those in the U.S. with whom they shared their training experience. At the same time, they are given the opportunity to meet with other Peace Scholars in their geographic areas to share experiences albeit in different fields and to develop local community activities. Individualized assistance is also provided returnees concerning such areas as transmitting newly acquired skills and reliving the U.S. experience. A full-time follow-on coordinator is currently organizing and implementing these activities.

g. Cost Containment

The Mission has intensified its monitoring of APSP costs having developed its own system of training cost analysis. This has enabled detailed cost comparisons and improved monitoring of training contractor expenditures. Group training has been used to avoid costly, tailor-made individual programs and has allowed savings through competitive bidding among sub-contractors directly responsible for group training. The BPSP Request for Proposal (RFP) which will invite interested contractors to bid on Project implementation will specifically require potential contractors to introduce cost containment actions into their proposals. The Mission, however, will not reduce the quality or relevance of its training programs in order to achieve these cost savings.

h. Project Definitions

For the Bolivia Peace Scholarship Project to comply with the regional guidance for Peace Scholar Recruitment and Selection (See Section (a) above), it is necessary to establish clear definitions to guide the selection process. These definitions were established as part of SIF analysis. They are:

-- Economically Disadvantaged

Given the significant drop in economic activity and overall salary levels in the last decade, it is plausible to argue that most of the population of Bolivia should be considered as economically disadvantaged especially in comparison to the salary levels typical of advanced industrial nations. Nevertheless, it is the intent of the BPS program to reach with 70% of its opportunities for training that sector of the population which, due to its poverty, is normally not included in such training opportunities. In order to have a figure which serves to distinguish the various social groupings in terms of relative disadvantage, which allows BPS planners to orient their selection process more clearly towards that disadvantaged group, and yet which is generous enough to include many of the members both of the urban working class and the lower middle class, the SIF analysis suggests that "economically disadvantaged" be defined for Bolivia as those households with a monthly income of U.S.\$300 or less for a family of five. The definition should be flexible enough to permit members of larger households to be so classified even with somewhat higher monetary incomes.

For rural populations, household income will rarely reach these levels; but it is still necessary to distinguish, even if in a very gross fashion, between the relatively affluent in rural areas and those who are poorer. For the purposes of the BPS program, it is recommended that the highlands, small-scale agriculturalists with three hectares or less of irrigated land or ten hectares or less of unirrigated land be considered "economically disadvantaged." For the lowlands, in which agriculture is practiced much less intensively, ten hectares or less of irrigated land or forty hectares of unirrigated land can be considered "economically disadvantaged."

-- Socially Disadvantaged

These are the groups which, independent of income levels, suffer from social discrimination due to their social identity or class position. In Bolivia this would include, in the first instance, inhabitants of rural areas whose first language is not Spanish, especially Andean peasants and the members of indigenous

lowland groups; this is, of course, a significant proportion of the national population. It would also include the lower urban classes who may speak an Andean language as their mother tongue or who exhibit other social characteristics which link them to indigenous culture. Educational levels are also a factor in defining the status of the socially disadvantaged. In general, those who have not completed their secondary education can be so considered.

As a social category, women are socially disadvantaged, even women who are not of Andean origin or have completed more years of education than high school. It is recommended, however, that women from higher income-level households should not, in the Bolivian context, automatically be considered socially disadvantaged if their economic or class status guarantees them certain social privileges denied to the other groups that are classified under this rubric.

-- Elite

In Bolivia, the "elites" are those groups in control of the apparatus of government at the highest levels or who are in active competition for such control. The elites are also the owners of the principal large industrial and commercial enterprises, the large landed estates in the eastern lowlands, or the top managers of state enterprises. Income levels of the elites are the highest in the country. It is the intention of the Bolivia Peace Scholarship Project that members of this group not be awarded Peace Scholarships.

-- Leaders

The BPSP program generally defines "leaders" as those individuals who are able to influence the opinions and actions of others. It is necessary, however, to expand somewhat on that definition in order to be able to identify different types of leaders in the Bolivian context. Leaders are in the first place members of social groups. Typically, they are involved in several actions: they make decisions for the group (or take the initiative leading to group decisions); they mobilize group members to action; they settle disputes; and they serve as intermediaries, articulating their or the group's views to outsiders and relaying external views to the group.

As members of collectivities, leaders must be recognized as such by group members. Following venerable sociological tradition, that recognition is a result of the form of

hierarchical relationships or authority which inheres in the group, and these can be classified into three forms: (1) leaders may be such in the context of their inherent charismatic gifts, around which new, often temporary, groups form; (2) they may take on traditionally recognized positions within the collectivity and serve in a personalistic form in relation to their followers, often within a highly ritualized context; or (3) they may occupy a recognized (and more impersonal) post within a rationally organized structure, especially a bureaucracy or a commercial enterprise.

-- Potential Leader

This concept relates for the most part to youth. The "potential leader" is one judged by his/her peers as a person who already reveals some of the qualities that are required of a leader as described in the previous definition, and who is considered likely to be able to occupy posts of leadership in the future.

2. Short-term Technical Training (STT)

The average duration of Short-term Technical Training (STT) will be six weeks but no program will last for less than one month. In order to maximize savings offered by programming groups of participants, there will be approximately 20 persons in each group. All STT Training will be offered in Spanish or with Spanish translation so that participants will not be required to learn English. Given the low-income nature of the participants and the fact that most of them will never have made an international trip before, someone from the Mission Training Office will accompany most groups from Bolivia to their final U.S. training destination where the U.S. contractor will take over responsibility for them. Experience has demonstrated that this is an absolutely necessary requirement to assure their safety and wellbeing.

a. Target Groups

BSPSP target groups were discussed in the Mission Training Strategy. In addition to including those target groups mandated by the regional CLASP II program (i.e., leaders, disadvantaged, women), the Bolivia CLASP II Project will focus on younger people who work in various intermediary institutions among the peasant population or among the poor populace of marginal neighborhoods in the cities. They will be selected from the five fields which were judged to have the greatest impact on Bolivian economic and social development. Both the application of technical skills

within these fields as well as the exercise of leadership qualities will be considered in the identification of the relevant target groups.

b. Recruitment Procedures

Recruitment for the STT candidates begins with the participation of the Mission's technical divisions. They assist the Training Office in identifying the appropriate public and private institutions in the technical field -- especially those serving the disadvantaged -- where candidates are most likely to be found. This list may be added to by the Training Office as it consults with outside contacts. Institutions are then invited, by means of letters, to nominate a limited number (depending on the availability of scholarships) of candidates. The institutions are advised of the selection criteria requiring 70% of participants to be disadvantaged and 40% to be women. Institutions which do not respond or do not suggest female candidates are contacted directly to assure their participation. The recruitment process begins at least six months prior to the departure date so that selection can be completed by three months prior to the participants' departure. Special attention is given to those departments in Bolivia which do not participate in other Mission activities.

c. Selection Procedures and Criteria

Nominees from the sponsoring institutions are reviewed by the Mission's Training Office to make certain that the Project selection guidelines are being met. This includes special emphasis on leadership qualities, on disadvantaged status, on spread effects among the low income population, and on women. The Training Office then selects those who meet the BPSP selection criteria to be interviewed. The Mission Training Officer and the BPSP Training Coordinator interview all appropriate candidates at a location close to their place of residence. Using an evaluation form, candidates are ranked on the basis of objective factors (i.e., employment position, education level) and on subjective elements (i.e. leadership qualities, ethnic and family background, income level). The evaluation forms are then reviewed to place the candidates in four categories: highly recommended, recommended, recommended as an alternate, and not recommended. A cover memorandum is prepared summarizing the candidates' ranking and providing an explanation of why the candidate was given his/her ranking.

The memorandum summarizing the candidates' qualifications is sent to the BPSP Selection Committee. The Committee members, after reviewing the selection information, meet to discuss and approve the individuals who have been selected. In the meeting, Selection Committee members are briefed on the nature of the training program, the details of the selection process and on the candidates' ranking and are invited to discuss the selection procedure. After the discussion, Committee members vote on the list of candidates and alternates making any modifications or suggestions they believe to be in the best interest of the program. Minutes of the Selection Committee meetings are then placed in the training group's file. The BPSP Selection Committee consists of:

- Mission Training Officer, Chairperson
- Embassy Deputy Chief of Mission or designee
- USIS Representative
- Mission related Technical Division Representative
(ARD, HHR or Private Sector depending on their interest in the Training Group)
- Mission Deputy Program Officer
- Mission PD&I Representative
- Mission BPSP Training Coordinator

d. Types of Training

The groups to be included in the STT programs -- 240 in all -- include the following:

- 20 extension agents from state and PVO agencies from the Altiplano and highland valley departments.
- 20 non-formal educators with demonstrated leadership qualities working in rural or periurban development projects or institutions.
- 20 young rural or low income urban health workers at an intermediate level of skills (nurses, health promoters).
- 20 agricultural extensionists from tropical areas.
- 20 community leaders involved in the management of small community projects (i.e., communal stores, small irrigation projects, water systems, small cooperative enterprises).
- 20 leaders of small merchants' associations and unions from urban markets throughout Bolivia.
- 20 extensionists from small-scale livestock areas in the dryer tropics.

-- 20 educators from public and private institutions working in administration and program planning for disadvantaged students.

-- 20 managers of small enterprises, agriculture producers' associations and cooperatives.

-- 20 managers of PVOs and related private development and services organizations working with the disadvantaged.

-- 20 technicians and workers from institutions and groups engaged in environmental protection.

-- 20 communicators from radio and TV mass media.

e Pre-departure Preparation

As suggested earlier, pre-departure preparation begins with the initial interview when detailed information on the nature and responsibilities of the scholarship are carefully defined so that candidates and sponsoring institutions are made aware of what is expected of them. This is followed by a scholarship award letter which repeats this information. Candidates are encouraged to obtain answers to all questions they have about the program at this time as well as to make any suggestions concerning their special training interests.

A five day pre-departure orientation program is held in La Paz immediately preceding the candidates' travel to the U.S. This orientation program addresses:

1. Medical/dental needs and passport/visa requirements.
2. Introduction to their training program with its Experience America elements.
3. Cultural orientation to life in the U.S. and behavior expectations so as to reduce, as much as possible, the cultural shock.
4. Technical briefing in their field on what to expect in the U.S. in their area of expertise.
5. Ceremonies involving highest level Embassy and USAID officials to emphasize the importance of the training and the origin of the program.

6. "Crash course" in survival English.
7. Review of Bolivian culture, history and current events to enable participants to better inform U.S. citizens about Bolivia.
8. Help trainees to get to know each other so they may function as a group when they arrive in the U.S.

Upon the participants' arrival in the U.S., they receive another briefing by the training contractor. This reviews once again the details of the training program and of the trip they will be making. Information on the administrative aspects of the program are carefully covered including information on housing, food and supplementary allowances.

f. Experience America (EA)

The EA portion of the program is designed to give both an insight into American daily life as well as an understanding of how various institutions function and affect the lives of U.S. citizens -- especially those institutions reflecting the democratic process and the free enterprise system. An opportunity to participate in family life will also be emphasized. Leadership development and the opportunity for expression will be covered -- perhaps with the participation of an HBCU.

EA will also allow the participants to have some feeling for recreation in the U.S. -- to share in some "fun" activities with Americans, either in their technical areas or from another kind of group thus expanding their U.S. experience. A final "catch your breath" day will be programmed in Miami immediately prior to departure from the U.S. to allow for shopping and relaxation.

g. Follow-on

Upon their return to Bolivia, STT participants will participate in a debriefing to discuss their U.S. training experience and to learn about the Mission's follow-on program. They will be invited to maintain contact with the Mission Follow-on Coordinator and call upon her for any training related problem or service. They will be entered in the Alumni Directory and will receive the Alumni newsletter.

Follow-on seminars in their technical field will be held to allow them to maintain contact with their fellow trainees and to meet other BPSp returnees in their technical field. At the same time, they will be encouraged to maintain contact with the U.S. technicians and personnel who participated in their programs.

Similarly, follow-on programs will take place in the various communities where there are concentrations of BPSp returnees. In these cases, a cross-section of participants will have the opportunity to meet each other. They will be encouraged to develop local community activities, some of which will have been designed while they were in the U.S. These community based groups may become the basis for the BPSp Alumni Association.

3. Long-term Technical Training (LTT)

Long-term Technical Training (LTT) will also be programmed in groups of ten to twenty participants thereby introducing economies of scale. Programs will be of ten months duration allowing participants to be awarded a Certificate of Achievement. The programs will be offered in Spanish in the U.S. either with Spanish speakers or with qualified translators. Efforts will be made to provide each group with English language training in the U.S. as a supplement to their academic programs.

a. Target Groups

As was the case for STT candidates, the LTT candidates will meet the Project selection criteria, will include young leaders, will be drawn from the five priority development areas and will work on behalf of the disadvantaged. The major differences will be in the level of academic attainment and in the ability to spend an extended period in the U.S. Because LTT will be much more academic in character (although practical applications will be highlighted), candidates must demonstrate that they have the academic background to benefit from the training. Furthermore, since training will last for ten months, candidates must also be able to be away for that time period and must exhibit an ability to adapt to the living circumstances required by the training.

b. Recruitment Procedures

In the case of the LTT candidates, the initial recommendations by the Mission technical divisions are limited to suggestions of possible institutions. It is the Training Office which actually takes the leadership in coordinating the identification and communication with the sponsoring institutions. Application forms are sent to the institutions

with a letter explaining the program to them as well as the selection criteria. The number of applications per institution is controlled so the Training Office can carefully determine that only the candidates who meet the selection criteria are given the opportunity to apply for the Peace Scholarships.

c. Selection Procedures and Criteria

Completed applications are returned to the Training Office. Appropriate supporting documentation or more complete information may be requested from the candidates. The applications are then reviewed and the most qualified candidates are identified. Interviews are done as was the case with the STT candidates. A summary memorandum is prepared for the BPSP Selection Committee ranking candidates and giving the reasons for assigning the ranking. The final selection, as was the case for STT candidates, is done by the BPSP Selection Committee.

d. Types of Training

LTT programs will be of a non-degree nature offered by institutions of higher education such as universities or community colleges having recognized expertise in the assigned field as well as the ability to provide the course work in Spanish. The actual LTT training courses for a total of 60 participants include:

- 10 young managers of small private enterprises, cooperatives, public sector enterprises and producers' associations to study principles of marketing and management.
- 10 technicians in areas related to environmental protection, conservation and natural resource management.
- 20 public health specialists from throughout Bolivia with a preference for the poorest departments to study child and maternal health services.
- 20 non-formal education/communications specialists who work primarily with disadvantaged communities and societies.

e. Pre-departure Preparation

LTT participants are informed early-on about the training conditions and responsibilities as are their sponsoring

organizations. The real difference between the pre-departure activities from those for the STT candidates is the program in La Paz. Because the LTT participants are generally more sophisticated and informed, they require less information about U.S. cultural factors and Bolivian current events. Therefore, their formal pre-departure program is of a much shorter duration.

f. Experience America

Because LTT participants are in the U.S. for a longer period of time, less emphasis is placed on planning special events. Instead, they are encouraged, with assistance from the training contractor, to integrate into the normal events of the institution where they study. Also, they are encouraged to visit state capitals and other centers of political interest. A mid-winter program is held bringing them together with other participants to expand their knowledge of American lifestyle and culture. English language training will hopefully be an important key for them to enhance their integration into U.S. activities.

g. Follow-on

Follow-on activities for the LTT participants are very similar to those for the STT returnees. A debriefing is held immediately upon their return to inform them of the Mission BPSF Follow-on Program. They are encouraged to participate both in the national meetings related to their area of interest as well as to form part of the community based BPSF Alumni Groups. Their greater leadership capacity and technical backgrounds as a result of their U.S. training will permit them to have a more active and decisive role in follow-on activities than is the case for the STT participants.

4. Academic Education

Due to the very high cost of U.S. programs of higher education and the limited resources available to the Bolivia Peace Scholarship Project, it was decided not to include academic degree programs in the Project.

IV. FINANCIAL PLAN AND ANALYSIS

A. Budget and Financial Plan

The Budget and Financial Plan indicates how USAID/Bolivia grant funds (FX - foreign exchange) and host-country (LC - local currency) will be expended during the life of the Project. The detailed basis for calculating all Project costs is included in Annex J; A.I.D. Procurement Cost Estimates (Restricted). The total USAID/Bolivia contribution is US\$ 4.5 million while the GOB will contribute the equivalent of US\$ 1.153 million in ESF local currency. An additional in-kind contribution of the equivalent of US\$ 0.347 million will be made by the participants' sponsoring institutions (salaries) making the total Project value US\$ 6.0 million. The GOB contribution will be 25% of the total.

Table IV-1 shows the regional CLASP II program for each participating country. It should be noted that the USAID/Bolivia level is only US\$ 3.5 million as this was the original level proposed by AID/W. The Mission, however, has increased this level to US\$ 4.5 million. Table IV-2 is the Summary Financial Plan for USAID/Bolivia. Table IV-3 divides the BPSF Financial Plan into the Foreign and Local Currency requirements. Finally, Table IV-4 breaks down the expected Project disbursements by Fiscal Year.

Project Budget Summary

Table IV-1
CLASP II Program Summary
Country Totals by Year (US \$000)

<u>Country</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
Belize	360	360	360	360	360	\$1,800
Bolivia	700	700	700	700	700	\$3,500
Colombia	740	740	740	740	740	\$3,700
Costa Rica	4,000	4,000	3,000	2,000	2,000	\$15,000
Dom. Republic	528	525	525	525	525	\$2,628
Ecuador	1,000	1,000	1,000	1,000	1,000	\$5,000
El Salvador	8,550	8,550	5,700	2,850	2,850	\$28,500
Guatemala	7,400	7,400	7,400	7,400	7,400	\$37,000
Haiti	260	350	350	722	722	\$2,404
Honduras	1,200	4,000	5,000	3,600	3,200	\$17,000
Jamaica	2,000	875	875	875	875	\$5,500
Peru	740	740	740	740	740	\$3,700
RDO/C	1,000	1,000	1,000	1,000	1,000	\$5,000
AID/W	17,250	17,250	17,250	17,250	17,250	\$86,250
TOTAL	\$45,728	\$47,490	\$44,640	\$39,762	\$39,362	\$216,982

Table IV-2
Summary Financial Plan

<u>Component/Activity</u>	<u>AID</u> <u>Grant</u>	<u>GOB</u>	<u>Total</u>
I. Short-Term Technical Training			
Pre-departure	--	\$ 147,300	\$ 147,300
U.S. Training	\$1,566,700	--	1,566,700
Experience America	294,600	--	294,600
Follow-on	--	176,700	176,700
Administrative Costs			
Local	357,700	40,000	397,700
U.S.	353,400	--	353,400
Travel	<u>--</u>	<u>471,300</u>	<u>471,300</u>
Sub-Total	2,572,400	835,300	3,407,700
II. Long-term Technical Training			
Pre-departure	--	35,700	35,700
U.S. Training	1,428,000	--	1,428,000
Experience America	71,400	--	71,400
Follow-on	--	53,600	53,600
Administrative Costs			
Local	128,800	14,000	142,800
U.S.	142,800	--	142,800
Travel	<u>--</u>	<u>114,200</u>	<u>114,200</u>
Sub-total	1,771,000	217,500	1,988,500
III. Evaluations/Audits	<u>156,600</u>	<u>100,500</u>	<u>257,100</u>
TOTAL	4,500,000	1,153,300	5,653,300
(Bolivian In-Kind)	<u>--</u>	<u>346,700</u>	<u>346,700</u>
Adjusted Total	<u>\$ 4,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 6,000,000</u>

Table IV-3
Foreign Exchange and Local Currency
(US\$ 000)

<u>Component/Activity</u>	<u>AID FX</u>	<u>Grant LC</u>	<u>AID Total</u>	<u>GOB Total</u>	<u>Grand Total</u>
I. Short-term Tng.					
Pre-departure	--	--	--	147.3	147.3
U.S. Training	1,566.7	--	1,566.7	--	1,566.7
Ex. America	294.6	--	294.6	--	294.6
Follow-on	--	--	--	176.7	176.7
Administrative Costs					
Local	55.0	302.7	357.7	40.0	397.7
U.S.	353.4	--	353.4	--	353.4
Travel	--	--	--	471.3	471.3
Sub-total	2,269.7	302.7	2,572.4	835.3	3,407.7
II. Long-Term Tng.					
Pre-departure	--	--	--	35.7	35.7
U.S. Training	1,428.0	--	1,428.0	--	1,428.0
Ex. America	71.4	--	71.4	--	71.4
Follow-on	--	--	--	53.6	53.6
Administrative Costs					
Local	15.0	113.8	128.8	14.0	142.8
U.S.	142.8	--	142.8	--	142.8
Travel	--	--	--	114.2	114.2
Sub-total	1,657.2	113.8	1,771.0	217.5	1,988.5
III. Eval./Audits	<u>156.6</u>	<u>--</u>	<u>156.6</u>	<u>100.5</u>	<u>257.1</u>
TOTAL	4,083.5	416.5	4,500.0	1,153.3	5,653.3
Bolivian In-Kind	<u>--</u>	<u>--</u>	<u>--</u>	<u>346.7</u>	<u>346.7</u>
Adjusted Total	4,083.5	416.5	4,500.0	1,500.0	6,000.0
	=====	=====	=====	=====	=====

Table VI- 4
EXPECTED DISBURSEMENT OF A.I.D. FUNDS BY FISCAL YEAR
(US\$ 000)

COMPONENT/ACTIVITY	FY 1992		FY 1993		FY 1994		FY 1995		TOTAL	
	FX	LC	FX	LC	FX	LC	FX	LC	FX	LC
I. Short-Term Training										
Pre-departure*	--	--	--	--	--	--	--	--	--	--
U.S. Training	352.8	--	374.9	--	396.9	--	442.1	--	1,566.7	--
Experience America	67.2	--	71.4	--	75.6	--	80.4	--	294.6	--
Follow-on*	--	--	--	--	--	--	--	--	--	--
Administrative Cost										
Local**	18.5	69.2	12.0	73.3	12.0	77.8	12.5	82.4	55.0	302.7
US	80.6	--	85.7	--	90.7	--	96.4	--	353.4	--
International Travel*	--	--	--	--	--	--	--	--	--	--
Sub-Total	519.1	69.2	544.0	73.3	575.2	77.8	631.4	82.4	2,269.7	302.7
II. Long-Term Training										
Pre-departure*	--	--	--	--	--	--	--	--	--	--
U.S. Training	448.0	--	476.0	--	504.0	--	--	--	1,428.0	--
Experience America	22.4	--	23.8	--	25.2	--	--	--	71.4	--
Follow-on*	--	--	--	--	--	--	--	--	--	--
Administrative Cost										
Local**	6.5	35.9	4.0	37.9	4.5	40.0	--	--	15.0	113.8
U.S.	44.8	--	47.6	--	50.4	--	--	--	142.8	--
International Travel*	--	--	--	--	--	--	--	--	--	--
Sub-Total	521.7	35.9	551.4	37.9	584.1	40.0	--	--	1,657.2	113.8
III. Evaluation/Audits	<u>25.0</u>	--	<u>81.6</u>	--	<u>25.0</u>	--	<u>25.0</u>	--	<u>156.6</u>	--
A.I.D. Total	1,065.8	105.1	1,177.0	111.2	1,184.3	117.8	656.4	82.4	4,083.5	416.5
GOB Counterpart	--	275.6	--	302.4	--	319.2	--	256.1	--	1,153.3
Bolivia-in kind	--	97.4	--	103.5	--	109.6	--	36.2	--	346.7
Project Total	<u>1,065.8</u>	<u>478.1</u>	<u>1,177.0</u>	<u>517.1</u>	<u>1,184.3</u>	<u>546.6</u>	<u>656.4</u>	<u>374.7</u>	<u>4,083.5</u>	<u>1,916.5</u>
	1,543.9		1,694.1		1,730.9		1,031.1		6,000.0	

* Funded by GOB Counterpart

** Local Travel will be funded by GOB Counterpart.

B. Financial Issues

1. Training Costs

The estimates used to develop the training costs for the BPSP program are based on identical activities which took place in FY 1990 under APSP. The Mission's Training Office, using its own program of training cost analysis, has maintained current, detailed actual cost figures on each aspect of the APSP program. A discussion of the actual estimates is included in Annex J; A.I.D. Procurement Cost Estimates (Restricted).

Inflation has been projected at 6% per year as suggested in the CLASP II regional program instructions. For the BPSP, this has resulted in the following inflation factors which have been applied to all project costs throughout the duration of the program. It should be noted that local currency costs have been estimated in U.S. dollar equivalents. It is, therefore, assumed that any discrepancies in Bolivian vis-a-vis U.S. inflation rates will be reflected in the current exchange rates between the two currencies. The inflation factors that have been used to estimate training costs are as follows:

FY 1990	1.00
FY 1991	1.06
FY 1992	1.12
FY 1993	1.19
FY 1994	1.26
FY 1995	1.34

The Mission's Training Office is perfecting its own training cost analysis system for BPSP which permits the comparison of detailed training costs for each training program. In this manner, areas where cost savings can be introduced are identified immediately. The BPSP program has been designed on the basis of group training programs which introduce economies of scale as well as the possibility of competitive bidding between training subcontractors wishing to provide the training services.

2. Country Counterpart

The country counterpart contribution of the equivalent of US\$ 1,500,000 (25% of the total Project costs) comes from two sources. The bulk of it (US\$ 1,153,300) comes from ESF local currency generations managed by the Ministry of Planning and Coordination's (MPC) ESF Unit -- DIFAD. These funds will be used to finance the local costs of the Project. This includes Pre-departure Programs, Follow-on Activities, Participants'

International Travel and the local travel portion of the Local Administrative Costs. Because of the very low salary levels of the participants, it was decided they could not be expected to pay for their international travel so this was included in the GOB local currency contribution. A local contract will be negotiated with a Bolivian institution to manage these funds. The remaining portion of the counterpart contribution is represented by the in-kind salary payments made to the participants by their sponsoring institutions while they are in training. Given the very low salary levels of the Peace Scholars, this contribution represents a very small part of the total.

3. Justification for Local Cost Financing

As shown in Table IV - 3 of this Project Paper, the GOB will contribute approximately \$1,153,000 in local currency to cover project costs for pre-departure training, follow-on activities after return from training, international travel (primarily airfare), local travel, audits and evaluations. Additional local costs of the project must be paid with local currency from the dollar grant for local staff salaries, local travel, and local services in order to manage and implement the Project, for costs of equipment and communications (photocopier, fax charges, etc.), and for international travel in case GOB funds are insufficient to fully cover the cost of international airfares, which have been rapidly rising in response to increases in the price of aviation fuel caused by war and instability in the Middle East. Although the estimated amount of these costs according to Table IV-3 is \$415,000, a waiver permitting local costs financing for these categories costs is included in the authorization up to \$500,000, in case any of these costs rises unexpectedly.

4. Financial Capability of the Implementing Institutions

A U.S. contractor will be required to implement the BPSP program. Competitive bidding will be done with the proposals reviewed by Mission personnel and the best firm will be selected. The RFP will require the competing institutions to present information concerning their financial capabilities. Final selection of the winning firm will, in fact, put a high value on this factor. In addition, the Project contains sufficient funds to do outside annual audits of the U.S. firm to assure its appropriate management of Project funds.

C. Methods of Implementation and Financing

<u>Elements</u>	<u>Methods of Implementation</u>	<u>Methods of Financing</u>	<u>Approximate Amount</u>
U.S. Training	U.S. Contract	Ltr. of Credit	2,994,700
Experience America	U.S. Contract	Ltr. of Credit	366,000
Adminstrative Costs			
Local	Mission Project Funds	Direct Payment	486,500
U.S.	U.S. Contract	Ltr. of Credit	496,200
Evaluation	PIO/T	Direct Payment	56,600
Audit/U.S.	PIO/T	Direct Payment	<u>100,000</u>
	Total		<u>\$4,500,000</u> -----

V. IMPLEMENTATION AND EVALUATION PLAN

A. Administrative Arrangements

The Bolivia Peace Scholarship Project is a five year project. However, the funds available for the Project only allow for three and one-half years of implementing training programs providing, of course, that all activities keep pace with the proposed Implementation Plan. It is suggested that a mid-project impact evaluation take place at the end of the second year. Dependent on the outcome of the evaluation, the Mission may decide to add funds to permit additional training groups to sent for U.S. training prior to the Project's PACD. The BPSP will be implemented through four complementary administrative units: A.I.D./Washington's LAC Bureau's Education/Human Resources (EHR) Office, the USAID/Bolivia Training Office, a U.S. training contractor, and a local logistics contractor. The division of responsibility between the three units is as follows:

AID/W Responsibilities. The unique nature of the CLASP II program as a regional program encompassing individual mission projects requires a continuing role for LAC/DR/EHR in program oversight, evaluation, training and orientation of mission personnel. LAC/DR will be responsible for the following functions:

1. In active collaboration with the missions, LAC/DR will issue policy guidance and monitor project implementation to ensure compliance with the policy guidance and program objectives. Bureau oversight functions will include review and approval of SIFs, Country Training Plans (CTPs) and CTP updates;
2. Manage a process evaluation, similar to that carried out under CLASP I, to assist both LAC/DR and the field missions in identifying and resolving implementation problems;
3. Design and implement, jointly with missions, an impact evaluation;
4. Assist in providing training and orientation to mission personnel in CIS, TCA, Experience America, follow-on, and other project activities;
5. Implement the Congressional earmark projects in close collaboration with the field missions;
6. Serve as a liaison with Congress, the press, and other outside parties; and

7. Perform standard Bureau backstopping support for mission CLASP projects.

USAID Responsibilities. USAID/Bolivia will arrange for and monitor the activities of a U.S. based training contractor as well as a local contractor to be responsible for all training related activities in the U.S. and to provide logistics support in Bolivia. The Mission, using a locally contracted staff of training coordinators, will carry-out all activities in Bolivia including those taking place prior to the participants' departure from Bolivia and those occurring after their return. Also, the Mission Training Office will design the U.S. training and Experience America proposals with inputs, of course, from the U.S. training contractor, the participants, and the participants' sponsoring organizations. More specifically, the USAID/Bolivia Training Office will be responsible for:

1. Preparation of annual Country Training Plans (CTPs) to advise AID/W and the U.S. training contractor of the proposed training activities for the coming year.
2. In collaboration with the training contractor, the participants and the sponsoring institutions, the Mission Training Office will develop detailed training proposals including guidance for Experience America and follow-on activities for each Training Group.
3. In collaboration with PD&I, the Mission Training Office will develop an RFP to obtain the logistics related services of a local contractor.
4. The implementation of these training programs by the U.S. training contractor as well as the logistic services of the local contractor will be carefully monitored.
5. All activities related to the identification and recruitment of candidates will be done by the Training Office with the assistance of the Mission's technical divisions and the various Bolivian sponsoring agencies.
6. Pre-departure orientation and all other activities related to getting the participant ready for departure.
7. A comprehensive program of BPSP follow-on activities has been developed so that participants are encouraged to maintain contacts with each other, with their U.S. counterparts and the Mission and to develop their own programs in Bolivia.

8. A detailed program of training cost analysis will be developed to monitor the costs of all activities and to introduce savings into the implementation of the program.

U.S. Training Contractor Responsibilities. The Mission will develop a Request for Proposal (RFP) and contract for the services of a U.S. training contractor to coordinate all CLASP II training related activities in the U.S. These include:

1. Development of detailed training programs for each training group which include both the technical and Experience America portions of the program. The training programs will be based on the training proposals and related background information provided by the Mission. The training contractor will be required to be in Bolivia when the training proposals are finalized so they may have a better understanding of the participants' requirements.
2. Monitoring of all BPSP participants while they are in the U.S.
3. The provision of technical assistance to USAID/Bolivia to improve the design and implementation of their BPSP training activities.
4. Conducting orientation programs for BPSP participants when they arrive in the U.S. (complementing those provided by the Mission) and debriefing, departure related programs for them as they return to Bolivia.
5. Provision of supportive, sensitive direct backstopping services to the Bolivian BPSP participants making certain that their stay in the U.S. both productive and enjoyable.

Local Contractor Responsibilities: USAID/Bolivia will prepare the terms of reference for a competitively bid local contract which will provide the BPSP staff with logistic services within Bolivia. The contract will be funded with ESF generated local currency and will therefore be implemented with the assistance of the Ministry of Planning and Coordination. The local contractor will provide the BPSP program with the following services:

1. Purchase of international airline tickets for the BPSP participants and arrangements for excess baggage.

2. Arrangement for travel within Bolivia for BPSP candidates during the selection process.
3. Arrangements and payments for Medical Certifications, passports and, in some cases, Bolivian identification cards. This may include clothing purchases depending on candidates' financial circumstances.
4. Arrangements for travel with Bolivia, payment of per diem and contracting for meeting rooms BPSP participants' pre-departure orientation and for their debriefing upon completion of their U.S. training.
5. Arrangements for travel within Bolivia, payment of per diem and contracting for meeting rooms for BPSP follow-on activities.
6. Purchase of local airline and other travel tickets and payment of per diem within Bolivia for the Mission BPSP staff.

The Bolivia Peace Scholarship Project will be administered in much the same way as the current Andean Peace Scholarship Program. This implementation process has been perfected over the last few years resulting in an efficient, responsive mechanism for realizing the objectives of the program. The Training Office staff is highly trained and will continue to work on the BPSP program. Because of the heavy workload of the principal BPSP Project Coordinator, an assistant will be added for the implementation of BPSP. This is further justified given the more dispersed geographic character of the candidates meaning more difficulties in reaching them for the interview and pre-departure processing activities. Also, the requirement for including only actual and potential leaders means additional time will be spent in the recruiting and interviewing process. In summary, however, it appears that the implementation of BPSP will be a smooth continuation of the current APSP program (See Section VI-B; Administrative Analysis).

B. Monitoring and Evaluation Plan

1. Program Monitoring and Evaluation

Background

Evaluation under the CLASP I project has consisted of an ongoing set of activities carried out by a central contractor under an 8a set-aside. This contractor reports to LAC/DR/EHR and is financed with a combination of CA and LAC regional funds.

Some field missions have conducted their own evaluation activities using independent contractors. Activities have varied according to the needs and interests of each mission.

Centrally funded CLASP I evaluation activities have covered the following:

- The initiation and maintenance of the CLASP Information System (CIS), a comprehensive database that provides up-to-date information on each CLASP I Peace Scholar (including age, sex, academic background, socio-economic status, leadership status, urban/rural location), and the nature of the training program to be undertaken.
- The administration of questionnaires to CLASP trainees immediately prior to their departure from the U.S. and within six months of their return to their country of origin. These questionnaires assess trainee satisfaction with the U.S. training experience, trainee attitudes toward the U.S., their views regarding specific aspects of the training experience, and follow-on.
- Individual country reports that address mission compliance with CLASP policy guidance as well as adequacy of management and implementation of the CLASP program. Country reports also summarize country-specific data available from the exit and returnee questionnaires.

Data from this ongoing evaluation have been invaluable to the LAC Bureau in its management and oversight of the CLASP program:

- (1) The CIS provides the LAC Bureau with an official and up-to-date tally on status of new trainee starts and on compliance with CLASP policy targets which are used for reporting purposes within and outside of A.I.D.;
- (2) Insights from the country reports have been very helpful to both missions and AID/W in guiding adjustments to country-specific programs; and

- (3) Finally, and perhaps of most significance, insights gained from the country specific evaluations have provided a useful base for sharing between missions experiences gained and lessons learned as A.I.D. enters the fifth year of this highly innovative program.

Specific Nature of CLASP II Evaluation Design

Experience with the evaluation of CLASP I and with evaluation in general has shown that investments in evaluation are worth undertaking when at least two conditions are met:

- There is a genuine interest in and need for the data to be collected (e.g. the originator of the data request faces uncertainty regarding the answer to one or more questions where the answer can only be obtained through investment in an evaluation and/or where conflicting opinions are such that an evaluation study is required to obtain the answer to the question); and
- The results of the evaluation will actually be used to implement programmatic changes (e.g. the user has sufficient authority and leverage to make the changes required).

These two criteria, level of uncertainty/conflict and leverage, will serve as the guiding principles for investment in the CLASP II evaluation. In addition to these basic criteria, additional important considerations were identified in a CLASP II impact evaluation design workshop held May 3-5, 1989 (see Annex H). These other conditions for effective use of the evaluation are as follows:

- The key users of the data (e.g., AID/W and field missions) must both take on ownership of the data collected. This means that AID/W and field missions must have input into guiding both the design of the evaluation activities and their implementation;
- Data must be collected and reported on a timely basis: questions and information needs of today must be addressed today and answers provided while the questions are still relevant and the answers needed;
- Reporting of data must be done in such a way that it is easy to read and readily lends itself to use by the originator of the data request;

- Data on "process" (the way in which students are recruited, selected, and oriented and the way in which training is carried out in the U.S.) and data on "impact";
- Information obtained on the effects of the training program on the trainees after they have returned home) must be closely linked.

The above conditions call for a dynamic and flexible design for the CLASP II evaluation that: provides information on a timely basis, is sensitive to field mission needs, and provides AID/W with the data that it needs for program accountability.

Listed below are the categories of information needs that will form the basis for CLASP II evaluation activities:

1. Information that will permit both AID/W and field missions to track policy compliance under CLASP II and to describe the U.S. training experience.

These data, commonly referred to under CLASP I as "process evaluation" data, include information on all CLASP II trainees collected through the CIS plus information from trainees collected in the form of exit questionnaires immediately prior to their departure from the U.S. The sample, both for CIS and for the exit questionnaires, will be comprised of 100% of all CLASP II trainees. To provide continuity between the CLASP I and CLASP II databases, existing data instruments being used under the CLASP I evaluation will continue to be applied. However, they will be updated and revised to reflect additional varying CLASP II evaluation data needs.

Data on compliance with CLASP II policy guidelines from the CIS database will be made available to AID/W and field missions semi-annually.

2. Information that will permit both AID/W and field missions to assess adequacy of field mission management and implementation procedures.

Continuing activities initiated under CLASP I, it is anticipated under CLASP II that each mission will be visited once every two years to assess: adequacy of mission recruitment, selection, and screening procedures; adequacy of development and specification of individualized training plans; adequacy of pre-departure orientation; adequacy of quality of the

U.S. training experience (academic/technical training as well as Experience America); and adequacy/relevance of the follow-on program. Reports, to be no more than 15-20 pages in length, will be shared with the individual CLASP mission whose program is under review. Individual country reports will highlight what each mission is doing "right" vis a vis management and implementation procedures that might be shared with other CLASP II missions. Suggestions will also be provided for areas where improvement is needed.

3. Information that will permit both AID/W and field missions to assess the effectiveness of individual training programs and to take appropriate actions to apply lessons learned both to the expansion/extension of training programs that are doing well and adjustment/ termination of programs that do not seem to be meeting their objectives.

This category of data addresses what have been referred to under CLASP I as "impact" data. CLASP I impact data gathering activities have been limited to questionnaires administered approximately six months following the return of trainees to their country of origin and the recent initiation, in Central America, of a series of pilot case studies to explore the feasibility of using qualitative data collection methodologies.

Under CLASP II, "impact" evaluation will be adjusted somewhat. Instead of a questionnaire administered to all trainees one or more times upon the trainees return to country, evaluation will consist of a series of studies-- some country-specific, some carried out over a sample of CLASP II countries. These studies will have a strong qualitative orientation, utilizing quantitative data collection methodologies when appropriate. They will be carried out on a "demand" basis (e.g., as AID/W or a field mission has one or more specific questions for which an immediate answer is needed. The studies will be carried out in such a way that: (a) the results will be provided in a timely fashion to the originator of the data request; and (b) data from consecutive studies can be compiled, across countries and across studies, to make broader observations on CLASP II outcomes.

An illustrative list of generic questions to be addressed under this aspect of the CLASP II evaluation is provided in Table 1. It is important to stress that these questions are illustrative and will be refined during the first year of CLASP II through a collaborative process which will invite field mission involvement both in identifying the questions to be posed and in guiding the procedures used to collect data to answer these questions. Data will be collected both on CLASP II trainees and on a select group of CLASP I returnees, both to document the CLASP I experience and to obtain insights useful for the implementation of CLASP II.

Implementation of CLASP II Evaluation Activities

Overall responsibility for the CLASP II evaluation will lie with LAC/DR/EHR. One EHR staff person, responsible for providing oversight as well as liaison with AID/W and field missions on a full-time basis, will oversee the activities of a central contractor. This contractor, to be selected during the first year of CLASP II (FY 1990), will be responsible for collecting data required by AID/W for purposes of program monitoring and oversight. The contractor will also be responsible for processing and implementing mission buy-ins to carry out studies to meet specific mission information needs.

The contract will be structured in such a way that it can be accessed to design and carry out studies to address specific questions and information needs as they arise during CLASP II implementation. A careful design process, to be carried out during the first year of CLASP II with active mission involvement and participation will result in a conceptual framework that will guide the CLASP II evaluation for the ensuing five years.

The following are anticipated outputs/accomplishments during the first year of the CLASP II evaluation:

1. The revision/updating of both the CIS and exit questionnaires to meet both AID/W and field information needs under CLASP I.
2. The development of a series of "constructs" (e.g. culturally relevant data categories) to guide collection of information on such aspects as "leadership", "career development", and "knowledge gained about the U.S.", as a result of the training experience.

3. A set of basic methodologies to be used both in carrying out AID/W and field funded activities that focus on examining the effectiveness of specific training programs.
4. A conceptual framework to guide CLASP II evaluation activities plus an implementation plan for year two that includes studies of specific interest to AID/W and missions that can be carried out within available funding levels.

TABLE 1

ILLUSTRATIVE LIST OF QUESTIONS
FOR CLASP II "IMPACT" EVALUATION

Trainee knowledge of the U.S.

- Has the trainee's knowledge of the U.S. changed in any way since going to the U.S. for training?
- What have been the nature of the changes?
- Which aspects of the CLASP II process (pre-departure orientation, U.S. training, home-stays, follow-on) seem to have contributed to these changes, and in what ways?

Career Advancement

- To what extent are CLASP II returnees advancing in their careers (increased status on the job, increased responsibility, promotion in rank, increase in pay, etc.)?
- What aspects of the CLASP II training program seem to have made the most contribution to these advancements?

Leadership

- In what ways have CLASP II returnees' leadership skills been enhanced as a result of their training in the U.S.?
- What are they doing with these skills that they did not do prior to departing for the U.S.?

- What elements of the CLASP II program (pre-departure orientation, U.S. training, follow-on) seem to have most contributed to the above?

Effectiveness of Short-term Training Programs

- Are there any specific types of short-term training programs common to a number of missions that seem to be more effective than others in enhancing career mobility and leadership skills and that should be recommended for broader application?
- What are the characteristics of these training programs?
- Are there any specific types of short-term training programs common to a number of missions that seem not to be effective in enhancing career advancement or leadership skills?

Effectiveness of Long-term Training Programs

- What types of long-term training programs seem to be the most effective in terms of promoting career advancement and enhancing leadership skills (e.g. two-year undergraduate, four-year undergraduate, junior year abroad, Master's degree training)?
- Under what circumstances are these programs best carried out and how should they be designed so as to assure maximum impact?
- What elements of the CLASP II experience seem to have contributed most to the above?

2. Mission Monitoring and Evaluation .

As can be seen from the above discussion of the AID/W evaluation program, the Bolivia Peace Scholarship Project will receive a great deal of useful evaluation information from the AID/W evaluation contractor. Therefore, the requirements for normal process evaluations on implementation performance will not be needed. However, the Mission will undertake a mid-project impact evaluation to determine if the training provided by BPSP is truly promoting an improvement in the economic and social

conditions of Bolivia's most disadvantaged groups. This impact evaluation may determine whether the Mission wishes to amend the Project to extend its PACD until the final date permitted by the regional program and to add funds to send additional training groups. The impact evaluation can be contracted directly from the AID/W evaluation contractor through a mission buy-in provision. Because of their accumulated knowledge about the program's implementation in Bolivia, they will already have much of the information required to carry out an effective impact study. The mid-project evaluation will occur at the end of the second year of the Project's implementation.

C. Contracting Plan

USAID/Bolivia will contract for the services of a U.S. training contractor through open competition. The Project elements to be included in the Request for Proposal (RFP) are: (1) U.S. Training, (2) Experience America, and (3) U.S. Administrative Costs.

USAID/Bolivia will assist the Ministry of Planning and Coordination in the openly competitive contracting -- using Host Country Contracting guidelines -- of a Bolivian institution to manage the following Project elements: (1) Pre-departure Programs, (2) Follow-on Activities, (3) Bolivia travel costs of Local Project Administration, and (4) International Travel. The source of these funds will be the ESP local currency managed by the Ministry of Planning. These activities largely consist of providing local and international travel, the payment of per-diem and arranging for meeting rooms where training takes place (See Section VI-B; Administrative Analysis).

The USAID/Bolivia contribution to cover the salary, equipment and international travel portion of the Local Administration costs will be managed by the Mission's Training Office and its Controllers Office.

Audits will be contracted through U.S. and local Indefinite Quantity Contractors (IQCs). The mid-project evaluation will be contracted through the AID/W evaluation firm which is responsible for the process evaluating activities. The contract with this firm provides for Mission buy-ins.

D. Implementation Schedule

The following is a proposed schedule of activities throughout the life of the Project:

<u>Date</u>	<u>Activity</u>
<u>FY 1991</u>	
January 1991	- Project Agreement signed with the Ministry of Planning and Coordination.
March 1991	- Completion of U.S. and Local Requests for Proposal (RFPs)
April 1991	- Publication of RFPs in U.S. and Bolivian Publications
July 1991	- Selection of Bolivian Contractor for local logistical support.
September 1991	- Selection of U.S. Contractor for U.S. training support.
<u>FY 1992</u>	
February 1992	- Departure of 20 Short-term Non-formal Educators
April 1992	- Departure of 20 Short-term Health Workers
June 1992	- Departure of 20 Short-term Extensionists, Altiplano
July 1992	- Departure of 10 Long-term Small Organization Managers
September 1992	- Departure of 10 Long-term Environmentalists
<u>FY 1993</u>	
February 1993	- Departure of 20 Short-term Community Leaders
April 1993	- Departure of 20 Short-term "Comerciantes Minoristas"
June 1993	- Departure of 20 Short-term Tropical Extensionists
August 1993	- Departure of 20 Long-term Community Health Workers
September 1993	- Mid-project Impact Evaluation

<u>Date</u>	<u>Activity</u>
<u>FY 1994</u>	
February 1994	- Departure of 20 Short-term Non-formal Educators
April 1994	- Departure of 20 Short-term Managers, Private Enterprise
June 1994	- Departure of 20 Short-term Dry Tropic Extensionists
August 1994	- Departure of 20 Long-term Non-formal Educators and Communicators
<u>FY 1995</u>	
February 1995	- Departure of 20 Short-term PVO Managers
April 1995	- Departure of 20 Short-term Environmentalists
June 1995	- Departure of 20 Short-term Communicators (Radio/TV)

VI. SUMMARY OF PROJECT ANALYSES

A. Social/Institutional Analysis

A Social/Institutional Analysis (SIF) is required by the regional CLASP II program to be carried out in each participating LAC country prior to preparing the Project Paper. The Bolivia SIF, which was completed in June 1990, describes the current socioeconomic realities of Bolivia so as to focus on the different kinds of actual and potential leaders, both in formal and informal settings. This was accomplished in order to identify specific groups of persons from the lower and middle sectors of Bolivian society who will most benefit from BPSP training. More specifically, the SIF was designed to:

1. Focus training on key sectors and institutions that are influential in shaping action and opinion, with an emphasis on the social and economically disadvantaged;
2. Propose a methodology and indicators for identifying leaders and potential leaders within those sectors; and
3. Determine the appropriate type of training for each group.

The SIF also reviewed the experiences and lessons from the Andean Peace Scholarship Program (CLASP I) as it was applied in Bolivia. Furthermore, the contractors made an effort to synthesize and describe the current socioeconomic and political situation in order to establish the framework for the particular economic and geographic sectors which are to receive development training and Experience America programs.

1. Study Objectives and Methodology

The methodology adopted for the SIF drew on the previous experience of Bolivia possessed both by the North American anthropologist and the Bolivian sociologist who were contracted to formulate the study. The first week was spent in La Paz, in which the anthropologist reviewed project documents and conducted extensive interviews with USAID/Bolivia personnel; and in which both contractors interviewed representatives of a range of state and private institutions in order to accumulate relevant statistical information and to determine varying views about key sectors and training opportunities. The contractors provided the Mission Training Office an outline of the study and began to work on the first matrix.

In the second week, the anthropologist travelled first to Potosi; previous contacts and experience there promised to permit a rapid survey of sectors and key training needs outside the national capital. The sociologist returned to his base in Cochabamba and arranged meetings with APSP participants in that city. The team, once in Cochabamba late in the week, carried out interviews with returnees and with other institutional representatives, and began as well the task of processing the information accumulated for a draft report.

At the beginning of the third week, at the request of the Mission Training Office, a preliminary draft of the study was presented for the Division's review and comment. Based on initial comments and the original outline, most of the rest of the third week was devoted to the analysis of field notes and writing. The fourth week was devoted to completing the draft and incorporating suggestions from the Training Officer.

2. Definitions

The CLASP II regional program requires that all participants be leaders or potential leaders. Furthermore, it stipulates that 70% or more of the Peace Scholars be selected from economically or socially disadvantaged groups. Finally, the regional guidance suggests that members of the "elite" class not be granted scholarships under this program. It is, therefore, essential that each Mission develop "country specific" definitions of the above social/economic categories so that the regional guidance may be met.

In the case of defining what is a leader, a detailed examination was undertaken in the SIF of the patterns of Bolivian leadership and the authority characteristics of different kinds of leaders: whether leadership is primarily expressed on the national scene, within the arena of one of Bolivia's nine departments, restricted to the sphere of a single province, or whether it is exercised largely at the local level. It is through Matrix One (presented in Annex K - SIF Matrices For Identifying BPSP Training Groups) that an examination of leadership by sector is undertaken. The sectors that are analyzed, however, are not strictly related to the formal sectors of the economy but rather to the important realms of social and economic activities. Chosen to be highlighted are government and politics, the judicial system, the private sector, the labor movement, agriculture, health, education, civic associations and non-governmental organizations. On the basis of this analysis, a

definition of "leader" and "potential leader" was developed which is reported in Section III-C-1-h - Project Definitions - of the Project Paper (See page 40).

The procedure for defining the "economically and socially disadvantaged" as well as the "elite" was not so formal. Instead, the SIF described the circumstances of the living conditions of people at different economic and social levels to determine, in the Bolivian context, which groups meet the general levels suggested by the regional guidance. The results of this analysis are again reported in Section III-C-1-h - Project Definitions (See page 40).

3. Target Groups

Matrix One permits a comparison of the leadership characteristics of the various economic and social sectors in Bolivia. It indicates a wide range of potential training opportunities, however, which exceed the resources of the BPSP program to implement. Matrix One was then reviewed with an emphasis on the key sectors which would most contribute to Bolivian economic and social development. The Mission FY 1991-1992 Action Plan was used in the process of establishing these priorities as were interviews with a number of recognized experts on Bolivian development. Also, the importance of communicating the "American experience" was taken into account in making the final selection of the groups to receive U.S. training. These will be leaders in fields who will be able to transmit a positive view of American society at the same time that they transfer technical information and practical applications. In addition, care was taken not to duplicate other Mission training activities.

The result of this process, which is summarized in Matrix Two - Proposed Training Programs for CLASP II - Bolivia (See Annex K), is the identification of five priority areas or training themes which delineate the specific training programs to be carried out under BPSP. In summary, these are the areas which can contribute most to improving the economic and social conditions of people at the lowest income levels, which can project a positive image of the American experience, and where the spread effect can be greatest. Special care has been taken to select areas where female leaders can be encountered and where the recipients of the scholarships are likely to meet the definition of economically or socially disadvantaged. The five training themes are described in Section II-B - Mission Training Strategy (See pages 33 - 37).

4. Project Implementation

The SIF has developed extensive guidance for the recruitment and programming of the Peace Scholars. In the first instance, APSP returnees were interviewed concerning their experience with the program. Their comments have resulted in a number of important suggestions for improving BPSP implementation.

The specific training proposals have been oriented towards young leaders with previous work experience and currently employed in the training theme area. Their training is designed to enhance their existing leadership qualities and to assist them in their career development. Of greatest importance is their ability to influence the lives of others -- especially those among the most disadvantaged. The SIF identifies these individuals as intermediaries; those community members who have a direct impact on the lives of others and on the direction and development of their societies and communities.

The selection process weighs heavily on those institutions within the selected training themes which work directly with the very poorest strata of the Bolivian economy. As mentioned earlier, the geographic orientation will be on those areas which have received less USAID/Bolivia development assistance. Therefore, to identify the appropriate institutions in these areas where BPSP program candidates can be located, the Training Office will call on the Mission technical divisions, especially in the case of identifying the Short-term Technical Training candidates. These technical divisions have daily contact with governmental and private agencies in their field and, therefore, are the best initial indicator of where the most promising candidates may be found. Once a list is developed, the Training Office will, through its own contacts, determine if any other institutions should be added to the list. These institutions will then be invited to recommend candidates (See Sections III-B-2/3-b - Recruitment Procedures).

The SIF also makes specific recommendations on the content of the technical training program, on the Experience America element, and on the follow-on activities for each individual training pre-proposal (See Annex K - SIF Matrices for Identifying BPSP Training Groups).

B. Administrative Analysis

USAID/Bolivia has successfully and efficiently managed the APSP activities with a staff of only two trained project coordinators which was relatively smaller than that of any other USAID/Mission in the region. The APSP program sent an average of over 100 participants per year; about 20 more than is proposed for the BPSP program. The training staff monitored the U.S. contractor's activities and carried out all training related activities in Bolivia (i.e. recruitment and selection, pre-departure orientation, and follow-on activities).

The APSP staff has consisted of approximately 50% of the time of the Mission Training Officer and the full-time services of the APSP Training Coordinator. While they have been able to carry out the necessary activities, it has placed an extremely heavy burden upon them which they cannot be expected to continue without additional assistance. Therefore, under BPSP, an Assistant Training Coordinator will be added to the Training Office staff along with a full-time secretary to share some of this burden.

Even with these additions, the USAID/Bolivia Peace Scholarship administrative staff will continue to be the smallest in the region. In view, however, of the efficient and adequate management of the APSP activities, there is no reason to doubt that the slightly enlarged staff will be adequate to competently manage the BPSP program.

It is proposed, of course, that the services of a U.S. training contractor be obtained to implement the U.S. portion of the program. Given the large impact of CLASP I activities throughout the LAC region, a great many U.S. firms have developed the requisite capabilities to program and monitor Peace Scholarship activities. It is very likely that many of these same firms will be interested in bidding on the BPSP Request for Proposal.

The Project will require a new source of local services which was not a part of the APSP program. A Bolivian contractor, funded by GOB counterpart from ESF local currency generations, will be required to carry out a number of logistical support activities which include:

1. Purchase of international airline tickets for the BPSP participants and arrangements for excess baggage.

2. Arrangement for travel within Bolivian for BPSP candidates during the selection process.
3. Arrangements and payments for Medical Certifications, passports and, in some cases, Bolivian identification cards. This may include clothing purchases depending on candidate' financial circumstances.
4. Arrangements for travel within Bolivia, payment of per diem and contracting for meeting rooms for BPSP participants' pre-departure orientation and for their debriefing upon completion of their U.S. training.
5. Arrangements for travel within Bolivia, payment of per diem and contracting for meeting rooms for BPSP follow-on activities.
6. Purchase of local airline and other travel tickets and payment of per diem within Bolivia for the Mission BPSP staff.

During the implementation of APSP, these services were contracted directly by the Mission Training Office and the vouchers were processed by the Controllers Office using regional APSP funding. This, of course, resulted in a great deal of work for both offices. For BPSP, it is proposed that GOB counterpart funds be used to cover these expenses. A local RFP will be prepared by USAID/Bolivia in close coordination with the Ministry of Planning with USAID/Bolivia assistance to solicit offers from Bolivian institutions to carry out these functions. Given the nature of the activities, it is likely that local travel agencies would be interested and capable of providing the services.

The Mission Controllers Office will continue to provide several Project related support services funded by the AID DA account which include:

1. Payment of salaries for the Mission Training Office staff assigned to the Project.
2. Payment of international travel and per diem for the BPSP staff.
3. Payments for equipment and supplies required for the implementation of the program.

C. Economic Analysis

Economic analysis of participant training projects is difficult because the output--improved education and skills--is difficult to measure in economic terms. Both AID Handbook 3 and the AID Manual for Project Economic Analysis recommend against the use of cost-benefit analysis for these types of projects because of the difficulty of reliably quantifying the benefits of training.

The most appropriate and relevant means of assessing the economic feasibility of training projects is cost effectiveness analysis. The key concept of the cost effectiveness approach is that the analytical focus is on accomplishing the objectives rather than the total amount of the costs per se. The purpose of the analysis is to identify the least cost (or most efficient) means of achieving those objectives. In other words, while the project should not cost more than necessary to be successful, neither should the objectives be sacrificed to reduce costs.

The CLASP program introduces complexities in the analysis that limit valid analysis to the country and training group level rather than the project or program level. First, the objectives of the program require that all training take place in the U.S., which eliminates the possibility of lower cost alternatives. Equally importantly, the diversity in the program in terms of technical fields and length and nature of training make "effectiveness" and "efficiency" very difficult to define on a program level. The most obvious measure of efficiency would be numbers of people trained per dollar spent, but the range of short term and long term participants in the program makes this meaningless. The other possible means of measuring effectiveness is to compare the eventual social and economic impact of different fields and types of training. However, there are no data available that would measure the relative economic benefit of, for example, six-week technical programs in basic health care, eight-month technical programs in restaurant management, and two year academic programs in machine tools. Therefore, the only appropriate level of cost-effectiveness analysis is on the country and training group level.

On the program level, the appropriate approach is to assure that cost effectiveness considerations are integrated into the design and implementation of the project. Two mechanisms for incorporating these considerations are included in the design. The first mechanism is the establishment of objectives and

criteria for acceptable training programs -- that the training be appropriate for the participant and that it substantively contribute to the participant's career and leadership development. While the data still lacks the rigor of scientifically significant results, these criteria offer the subjective advantage of requiring training personnel to review and justify the training in these terms.

The second, and more concrete, contribution to cost-effectiveness is the institutionalization of cost containment measures in the project. Cost containment is applied to specific training groups and contracts, so the alternatives available are more subject to analysis and comparison. For example, the alternatives of in-country and U.S. based English language training (or a combination thereof) or other preparatory training can be analyzed in relatively straightforward terms because the results (TOEFL scores) and costs are easy to measure. Similarly, the choice between equally proficient technical schools with different tuition rates is equally straightforward. In addition, the use of TCA to compare and monitor contract costs on a line item basis substantially improves the competitiveness of proposals and the mission's ability to control costs. This systematic review of alternatives on a cost basis is the single most effective means of assuring that the project is cost effective.

As the preceding discussion has shown, a definitive judgement of the cost-effectiveness of the CLASP program cannot be made in advance. The cost effectiveness of the project is in the details of implementation rather than the design. Rather, the judgement can be made that adequate measures have been built into the project to maximize the cost effectiveness of the project by emphasizing the training objectives and institutionalizing the use of cost containment approaches.

D. Technical Analysis

The primary technical issues of participant training concern those factors in the design and implementation of the program which experience has shown to be important in creating successful training programs. A.I.D. and its predecessor agencies have provided scholarships to over 250,000 foreign nationals since 1949 and the collective experience has been reviewed in numerous evaluations and audits in that period.

The evaluations of participant training programs have focused almost exclusively on the operational issues of planning, design, and implementation rather than on larger questions of impact and usefulness of training. Therefore, the technical analysis will also concentrate in these areas. A few evaluation findings have consistently and repeatedly been reported in every region and type of training program. Three key findings deal with procedures for selecting participants and planning the training program, pre-departure orientation, and post-program follow-on activities in the home country. All of these factors discussed below, are incorporated into the Project design and will be implemented in the country training plans and activities.

1. Procedures for selecting participants and planning the training program. The success of the program eventually rests on the ability and willingness of the participants to adequately learn the desired skills (or to graduate) and to use the training productively after returning home. Therefore, it is not surprising that careful selection of the participants is crucial. Many people would like to have scholarships to the U.S.- some will be better prepared than others, more dedicated to their profession, or more in tune with the goals of the project. Selection procedures should therefore be organized to identify promising individuals by encouraging the active participation of community groups, managers and supervisors (for those who are employed), and other people with a direct interest in the eventual use of the training. Standard criteria should be established and used in assessing the candidates.

Beyond selecting promising individuals, the adequacy of the training program in assessing the professional or training needs of the individual (or group) and eventual placement in an appropriate training program is essential. Therefore, program planning cannot be done in isolation, but rather should include the active involvement of the participant, his/her supervisors or managers, and community representatives (if appropriate). Because these individuals are in the best position to determine the types of skills needed and how they will be used after return to the home country, many potential problems can be avoided at this stage, when it is least difficult and costly to make changes. In addition to improving the training activities, this broad participation of interested parties in the planning stage will help assure that A.I.D., the participant, and the employer or sponsor have similar expectations of what the training program is intended to achieve. Different expectations of the program have been a common complaint in many unsuccessful training programs.

As part of this cooperative program planning process, explicit plans for using the training after return should be formulated at this stage.

The adequate development of a training request is a key step in assuring a high quality training program. The training request must include all relevant data about the participant which will be needed by the training institution and trainers to orient the program to the participants needs and expectations. While this would seem to be an obvious statement, the transmission of adequate information has been a recurring problem in many training programs. Therefore, all missions will emphasize the importance of proper planning to the contract and FSN project managers. Of course, the level of effort needed to assure adequate planning will vary considerably with the type of program. Attendance at a conference or seminar will require relatively little time and effort to arrange, while a customized 9-month training program will require substantial information, time and effort.

Training groups of people with related backgrounds and skills is attractive in terms of both administrative convenience and cost savings. However, group training must be carefully planned in order to meet the needs of all of the participants. One of the most important aspects of group training is assuring that the composition of the group is largely homogeneous in terms of background, professional knowledge, and position. A common problem is that groups are composed of people who are all individually eligible for the training but who have highly diverse backgrounds and training needs. This presents a significant, sometimes insurmountable, problem to training institutions in designing an appropriate training plan. The difficulty of meeting the participants' training needs in such a group is also significantly increased by lack of timely and complete information about the composition of the group. The importance of putting together a compatible and technically or professionally homogeneous group cannot be overemphasized.

2. Pre-departure orientation. In programs which involve travel and training in third countries or in the U.S., orientation to the training program, training language, travel plans, and cultural differences are very important. While many of these activities can be expensive and labor intensive, they are a factor in the success or failure of any training program. Discomfort and confusion inhibits the learning process and creates an adverse impression of the U.S., thus reducing the

degree of skill acquisition and negating one of the major side benefits of U.S. training--increasing understanding and relations between the U.S. and citizens of other countries. Inadequate language skills clearly limit skill and knowledge acquisition.

3. Follow-on. An important finding over many years has been that some continuing activities are needed with returned participants to assure that they are able to effectively apply the training received. The relatively low additional cost of establishing job banks, employment networks, alumni associations, annual seminars to maintain or upgrade skills, or community project funds to provide seed money for initiatives can ensure that participants maximize the potential to utilize the training received in the U.S. This type of follow-on program has not been widely implemented and successful examples are still rare. However, the need for such programs is clear--it is the single most common evaluation finding of the past 40 years.

VII. ANNEXES

ANNEX A. Logical Framework

LOGICAL FRAMEWORK

BOLIVIAN PEACE SCHOLARSHIP PROJECT (511-0611)
CARIBBEAN AND LATIN AMERICA SCHOLARSHIP PROGRAM (CLASP)
(598-0661, 597-0044)

<u>Narrative Summary</u>	<u>Objectively Verifiable Indicators</u>	<u>Means of Verification</u>	<u>Assumptions</u>
<u>Program Goal</u> To promote broad-based economic and social development in <u>Bolivia</u>	Increased per-capita income. Increased consumption and income in poorest 50% of society.	National economic statistics. Program evaluation.	Functioning democracies and free market economies will result in long term stability and economic growth. Other National and international economic assistance programs continue at present levels. Disruptive outside forces do not intensify destabilizing efforts.
<u>Project Goal:</u> To encourage and strengthen democratic pluralism and free enterprise market economies in <u>Bolivia</u> .	Greater participation in economic and social progress by poorer and disadvantaged groups in society.	Project Evaluation National statistics	Leadership and skills training for middle and lower socio-economic classes will strengthen participation of these groups in economic and political progress. Active economic and political participation by targeted groups will strengthen societal commitment to pluralism and free enterprise. Participant selection procedures successfully identify current and potential leaders. The scholarship program advances the careers and influence of the participants.

Narrative Summary

Program Purpose

To equip a broad base of leaders in Bolivia with specialized skills, training, and academic education and an appreciation and understanding of the workings of democratic processes in a free enterprise economy.

Objectively Verifiable Indicators

Returned Peace Scholars are employed in their areas of expertise and are applying the skills learned in the U.S.

Returned Peace Scholars are active and influential in community or professional affairs.

Peace Scholars have benefitted from the program in terms of either finding a job or having increased responsibility or salary in an existing one.

Peace Scholars have maintained some linkage with the U.S. after return home.

Means of Verification

Process Evaluation
Impact Evaluation
Project Reports

Assumptions

The nature and length of training and Experience America has significant impact on attitudes and skill levels.

Training program facilitates career advancement of Peace Scholars.

Association with the U.S. does not impede leadership status in community.

Democracy values can be transferred through training programs and exposure to US.

Missions are successful in selecting leaders and potential leaders and in developing appropriate training programs for them.

<u>Narrative Summary</u>	<u>Objectively Verifiable Indicators</u>	<u>Means of Verification</u>	<u>Assumptions</u>
<u>Mission Project OUTPUTS</u>			
<u>1. Program Requirements</u>			
1a. Project is consistent with program guidelines	1a. At least 70% of Peace Scholars are from disadvantaged backgrounds 1b. All Peace Scholars meet mission criteria for leadership potential. 1c. At least 20% of programs last 9 months or longer 1d. At least 10% of all Peace Scholars are placed in HBCU institutions 1e. At least 40% of the Peace Scholars are women.	Project records. Project process evaluation. Process evaluation.	Selection procedures are instituted and followed. Appropriate candidates can be found.
2. Peace Scholar selection and recruitment procedures identify leaders and potential leaders.	2. Mission strategy and procedures established and functioning.		
3. All Peace Scholars given adequate pre-departure preparation in language, skills, and remedial academic preparation.	3. Interviews indicate that Peace Scholars are well prepared for program.		
4. All programs and contracts use TCA methodology and use cost-containment approach.	4. TCA used for all contract and reporting. Program costs held to reasonable levels consistent with program quality.		
5. Training plans are prepared adequately in advance and customized for needs of individuals or groups.	5. Training plans are submitted 6 months in advance for LT training and 3 months in advance for ST training.		

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Narrative Summary

Objectively Verifiable Indicators

Means of Verification

Assumptions

Outputs (contd)

6. All programs include integrated Experience America program.

6. Experience America strategy and program articulated in the mission and integrated into customized training plans.

Project records
Process evaluation

7. Returned Peace Scholars needs met by customized follow-on program

Every Peace Scholar has appropriate EA programs.

7. Mission follow-on program strategy clearly articulated and implemented.

All returned Peace Scholars are included in follow-on activities

II. Project Outputs

1. Short-term technical training

—240
1. At least / people are trained in the identified priority fields.

Project Records

2. Long-term Technical training is completed consistent with the CTP.

—EO
2. At least / people are trained in the identified priority fields

Project Records

PUTS

scholarships
Technical Assistance

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VII. ANNEX B

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3M(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 CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT? NO, YES

A. GENERAL CRITERIA FOR PROJECT

1. FY 1990 Appropriations Act Sec. 523; FAA Sec. 634A. If money is to be 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? N/A

2. FAA Sec. 611(a). Prior to an obligation in excess of \$500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance? (a) YES (b) YES

3. FAA Sec. 611(a)(2). If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, 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? N/A

4. FAA Sec. 611(b); FY 1990 Appropriations Act 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.) N/A

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? N/A

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6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

YES YES

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.

N/A

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).

N/A

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.

25% OF PROJECT FUNDS ARE CONTRIBUTIONS OF THE GOB OR ARE IN-KIND CONTRIBUTIONS OF THE SPONSORING INSTITUTIONS.

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 1990 Appropriations Act 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?

N/A

12. FY 1990 Appropriations Act Sec. 547. 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

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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? NO.

13. FAA Sec. 119(q)(4)-(6) & (10). 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) NO (c) NO (d) NO

14. FAA Sec. 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)? N/A

15. FY 1990 Appropriations Act, Title II, under heading "Agency for International Development." 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? N/A

16. FY 1990 Appropriations Act Sec. 537. 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 AID, and is the PVO registered with AID? N/A

17. FY 1990 Appropriations Act Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures? N/A

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18. 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 AID LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision). YES

19. Trade Act Sec. 5164 (as interpreted by conference report), amending Metric Conversion Act of 1975 Sec. 2 (and as implemented through AID policy). Does the assistance activity use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will AID specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage? N/A

20. FY 1990 Appropriations Act, Title II, under heading "Women in Development." Will assistance be designed so that the percentage of women participants will be demonstrably increased? YES

21. FY 1990 Appropriations Act Sec. 592(a). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies, has AID (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of AID and that government to monitor and account for deposits into and disbursements from the separate account? N/A

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Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

Has AID taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FY 1990 Appropriations Act Sec. 546 (as interpreted by conference report for original enactment). 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: (1) 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 (2) in support of research that is intended primarily to benefit U.S. producers?

N/A

b. FAA Sec. 107. Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

N/A

c. FAA Sec. 281(b). Describe extent to which the activity 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 civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

PROJECT SUPPORTS THE SOCIAL/ECONOMIC DEVELOPMENT OF BOLIVIA AS WELL AS STRENGTHENING DEMOCRATIC INITIATIVES.

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d. FAA Sec. 101(a). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth? YES

e. FAA Secs. 102(b), 111, 113, 281(a). Describe extent to which activity will: (1) 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; (2) 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; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries.

(1) 70% OF PARTICIPANTS ARE DISADVANTAGED;
(2) COOPERATIVE LEADERS ARE INCLUDED AS A TARGET GROUP FOR AWARDED SCHOLARSHIPS;
(3) PVO, NGO LEADERS ARE ALSO IDENTIFIED AS TARGET GROUPS;
(4) 40% OF ALL PARTICIPANTS WILL BE WOMEN; AND
(5) N/A

f. FAA Secs. 103, 103A, 104, 105, 106, 120-21; FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Does the project fit the criteria for the source of funds (functional account) being used? YES

g. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Have local currencies generated by the sale of imports or foreign exchange by the government of a country in Sub-Saharan Africa from funds appropriated under Sub-Saharan Africa, DA been deposited in a special account established by that government, and are these local currencies available only for use, in accordance with an agreement with the United States, for development activities which are consistent with the policy directions of Section 102 of the FAA and for necessary administrative requirements of the U. S. Government? N/A

h. 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)?

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i. 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

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

YES

k. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes 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.

PROJECT IS DESIGNED TO IMPROVE TECHNICAL AND LEADERSHIP SKILLS OF BOLIVIAN SO THEY MAY ASSIST OTHERS -- ESPECIALLY THE DISADVANTAGED -- IN IMPROVING LOCAL ECONOMIC/SOCIAL CONDITIONS

l. FY 1990 Appropriations Act, under heading "Population, DA," and Sec. 535. 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 sterilizations?

NO

Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization?

NO

Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services?

NO

In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning?

N/A

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Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

NO

m. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

YES

n. FY 1990 Appropriations Act Sec. 579. What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 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)?

10 % OF THE PARTICIPANTS
WILL ATTEND HBCU'S.

o. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in AID 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: (1) stress the importance of conserving and sustainably managing forest resources; (2) 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; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest

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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; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; and (11) utilize the resources and abilities of all relevant U.S. government agencies? (1) YES (2 - 11) N/A

p. 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: (1) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (2) take full account of the environmental impacts of the proposed activities on biological diversity? N/A

q. FAA Sec. 118(c)(14). Will assistance be used for: (1) 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 (2) 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,

r. FAA Sec. 118(c)(15). Will assistance be used for: (1) activities which would result in the conversion of forest lands to the rearing of livestock; (2) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (3) the colonization of forest lands; or (4) the construction of dams or other water control structures which flood relatively undergraded 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? (1 - 4) NO

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s. FY 1990 Appropriations Act Sec. 534(a). If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry? /A

t. FY 1990 Appropriations Act Sec. 534(b). If assistance relates to energy, will such assistance focus on improved energy efficiency, increased use of renewable energy resources, and national energy plans (such as least-cost energy plans) which include investment in end-use efficiency and renewable energy resources? /A

Describe and give conclusions as to how such assistance will: (1) increase the energy expertise of A.I.D. staff, (2) help to develop analyses of energy-sector actions to minimize emissions of greenhouse gases at least cost, (3) develop energy-sector plans that employ end-use analysis and other techniques to identify cost-effective actions to minimize reliance on fossil fuels, (4) help to analyze fully environmental impacts (including impact on global warming), (5) improve efficiency in production, transmission, distribution, and use of energy, (6) assist in exploiting nonconventional renewable energy resources, including wind, solar, small-hydro, geo-thermal, and advanced biomass systems, (7) expand efforts to meet the energy needs of the rural poor, (8) encourage host countries to sponsor meetings with United States energy efficiency experts to discuss the use of least-cost planning techniques, (9) help to develop a cadre of United States experts capable of providing technical assistance to developing countries on energy issues, and (10) strengthen cooperation on energy issues with the Department of Energy, EPA, World Bank, and Development Assistance Committee of the OECD. /A

u. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA" (as interpreted by conference report upon original enactment). If assistance will come from the Sub-Saharan Africa DA account, is it: (1) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (2) being provided in accordance with the policies contained in section 102 of the FAA; (3) being provided, when consistent with the objectives of such assistance, through African, United States and other PVOs

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that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (4) 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 need to protect vulnerable groups; (5) 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 renewable 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 especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

(1 - 5) N/A

v. International Development Act Sec. 711, FAA Sec. 463. If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (1) the world's oceans and atmosphere, (2) animal and plant species, and (3) parks and reserves; or describe how the exchange will promote: (4) natural resource management, (5) local conservation programs, (6) conservation training programs, (7) public commitment to conservation, (8) land and ecosystem management, and (9) regenerative approaches in farming, forestry, fishing, and watershed management.

(1 - 9) N/A

w. FY 1990 Appropriations Act Sec. 515. If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?

N/A

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2. Development Assistance Project Criteria (Loans Only)

PROJECT IS TOO
GRANT FUNDED.

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. 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?

3. Economic Support Fund Project Criteria

NO ESF FUNDS IN
THIS PROJECT.

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?

b. FAA Sec. 531(e). Will this assistance be used for military or paramilitary purposes?

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?

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APPR:	FS	<u>FS</u>
DRAFT:	EW	<u>EW</u>
OTHER:	LW	<u>LW</u>
OTHER:		_____
OTHER:		_____

UNCLASSIFIED

AID/LAC/DR:EWARFIELD:GEB/ 48690
04/07/89 7-9181
AAA/LAC:FSCHEICK

AID/LAC/DR:TBROWN {DRAFT}
AID/LAC/DR:JCARNEY {DRAFT}
AID/LAC/DP:WWHEELER {DRAFT}
AID/PPC/PDPR:VBARNES {DRAFT}

AID/LAC/DR:GBOWERS {DRAFT}
AID/LAC/DR:MBERNBAUM {DRAFT}
AID/LAC/CEN:JLOVAAS {DRAFT}

IMMEDIATE AIDLAC

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: DAEC REVIEW OF THE CARIBBEAN LATIN AMERICA
SCHOLARSHIP PROGRAM {CLASP} II {598-0661} {597-0044}

1. SUMMARY: THE DAEC REVIEW OF THE SUBJECT PID WAS HELD
- ON TUESDAY, MARCH 21. THE A-AA/LAC CHAIRED THE REVIEW.
MISSION COMMENTS HAD BEEN INCORPORATED INTO THE REVISED
PID AND MISSION REPRESENTATIVES FROM HONDURAS AND EL
SALVADOR ATTENDED THE ISSUES REVIEW. THE PID WAS
APPROVED WITH THE FOLLOWING DAEC GUIDANCE FOR
PREPARATION OF THE PROJECT PAPER:

2. CONSULTATION WITH CONGRESS: IT WAS AGREED THAT, IN
LIGHT OF THE PROJECT'S HIGH VISIBILITY AND CONGRESSIONAL
INTEREST, THE LAC BUREAU {WOULD KEEP KEY CONGRESSMEN,
SENATORS, AND STAFFERS INFORMED ON THE PROGRESS OF CLASP
II PROJECT DESIGN}.

3. PARAMETERS OF PARTICIPANT SELECTION AND TRAINING:
GIVEN THE PROJECT'S HIGH VISIBILITY AND ITS COMBINED
DIPLOMATIC/DEVELOPMENTAL FOCUS, IT WAS DECIDED THAT,
UNDER CLASP II: A) THE 28 DAY MINIMUM FOR SHORT-TERM
TRAINING WOULD BE CONTINUED, B) AT LEAST 20 PERCENT OF

THE TOTAL NUMBER OF PARTICIPANTS WOULD RECEIVE LONG-TERM TRAINING DEFINED AS TRAINING OF 9 MONTHS OR MORE; C) AT LEAST 70 PERCENT OF ALL PARTICIPANTS WOULD BE SOCIALLY AND ECONOMICALLY DISADVANTAGED; D) AT LEAST 40 PERCENT OF THE PROJECT PARTICIPANTS WOULD BE WOMEN; E) A RANGE RATHER THAN A SPECIFIC TARGET OF THE TOTAL NUMBER OF PARTICIPANTS TO BE TRAINED UNDER THE PROJECT WOULD BE ESTABLISHED; AND, F) THE TRAINING PROVIDED WOULD BE U.S.-BASED RATHER THAN IN-COUNTRY OR THIRD COUNTRY. EXCEPTIONS TO THESE GUIDELINES WOULD REQUIRE LAC/W CONCURRENCE. THE SOCIAL INSTITUTIONAL FRAMEWORK PREPARED BY EACH MISSION AS PART OF THE PP DESIGN PROCESS, WILL BE USED TO REFINE EACH MISSION'S CLASP II PROGRAM IN ACCORDANCE WITH PROJECT OBJECTIVES AND THE COUNTRY STRATEGY TAKING INTO ACCOUNT THESE SELECTION AND TRAINING PARAMETERS.

4. CENTRAL VS. MISSION PPS AND AUTHORIZATIONS: IT WAS DECIDED THAT THE MISSIONS WOULD FINALIZE INDIVIDUAL PPS BASED ON THE QUOTE MODEL UNQUOTE PP PROVIDED BY AID/W AND AUTHORIZE THE PROJECT IN THE FIELD. IN PREPARING THEIR PPS, THE MISSIONS WILL BE DIRECTED TO ADHERE CLOSELY TO SPECIFIC SECTIONS AND PARAMETERS SPELLED OUT IN THE QUOTE MODEL UNQUOTE PP. AID/W WILL MONITOR MISSION COMPLIANCE WITH CLASP II POLICY GUIDELINES THROUGH THE PROCESS EVALUATION AND THE FORMAL REVIEW OF THE ANNUAL CTP UPDATES.

5. PROJECT IMPLEMENTATION: IT WAS DECIDED THAT THE MISSIONS WOULD BE RESPONSIBLE FOR ARRANGING THEIR OWN CONTRACTS TO IMPLEMENT CLASP II; HOWEVER, IN THE INTEREST OF AVOIDING A MULTIPLICITY OF CONTRACTS AND THE CONCOMITANT OVERHEADS ENGENDERED IN SUCH AN APPROACH, MISSIONS, ESPECIALLY THOSE WHERE THE SMALL AMOUNT OF CLASP II FUNDING DOES NOT JUSTIFY AN INDIVIDUAL CONTRACT, WILL BE STRONGLY ENCOURAGED TO ACCESS THE OIT CONTRACTS, EITHER THROUGH PIO/P OR PIO/T BUY-INS. THE PP WILL PROVIDE A DETAILED DISCUSSION OF THE CONTRACTING OPTIONS AVAILABLE TO ACCOMMODATE THE VARYING NEEDS OF THE PARTICIPATING MISSIONS.

6. PROJECT EVALUATION: IT WAS DECIDED THAT THE PP SHOULD INCLUDE AN IMPACT EVALUATION THAT IS TECHNICALLY APPROPRIATE AND AFFORDABLE, BUT THAT THE SCOPE OF THE PROCESS EVALUATION SHOULD BE SCALED BACK FROM ITS CURRENT LEVEL OF EFFORT. THE COST OF THESE EVALUATIONS WILL BE CLOSELY ANALYZED TO MINIMIZE THE NUMBER AND COST OF CONTRACTORS AND CONSULTANTS FINANCED BY A.I.D. IN ADDITION TO THESE EVALUATIONS AND FUNDING AMOUNTS, MISSIONS, WITH THEIR OWN FUNDS, CAN CONTRACT OUT EVALUATIONS OF SPECIFIC CLASP II PROGRAMS.

7. PROJECT FINANCING: IT WAS DECIDED THAT THE TOTAL LOP WOULD

BE REDUCED FROM THE DOLS 275 MILLION CONTAINED IN THE PID TO DOLS 200 MIL'ION IN LIGHT OF POSSIBLE FUTURE DECLINES IN DA AND ESF FUNDING LEVELS. APPROXIMATELY DOLS 100 MILLION WILL BE ALLOCATED TO THE CLASP II PROGRAMS MANAGED BY THE INDIVIDUAL MISSIONS. THE REMAINING 50 PERCENT OF THE LOP AMOUNT NEEDS TO BE SET ASIDE IN ANTICIPATION OF THE GEORGETOWN PROGRAM, LCA AND OTHER DIRECTED PROGRAMS; AND FOR PROJECT MONITORING, EVALUATION, AND SUPPORT, BOTH OF WHICH WILL BE MANAGED BY LAC/W. THE DISTRIBUTION OF THE DOLS 100 MILLION IN CLASP II FOR MISSION-BASED PROJECTS IS THE SUBJECT OF A SEPTEL AND WILL BE DISCUSSED IN THE UPCOMING REGIONAL MEETINGS. THE FUNDING LEVELS ESTABLISHED FOR EACH COUNTRY IN THE MODEL PP WILL SERVE AS THE MINIMUM LEVEL AT WHICH A MISSION CAN FUND CLASP II. MISSIONS ARE WELCOME TO EXCEED THIS MINIMUM LEVEL, IF THEY CHOOSE TO DO SO.

8. IT WAS ALSO DECIDED THAT, WHERE ESF FUNDING IS AVAILABLE, FIELD MISSIONS SHOULD CONTINUE TO MAXIMIZE THEIR USE OF ESF IN FUNDING THIS PROJECT. GIVEN THE CONGRESSIONAL IMPETUS FOR THIS PROJECT AND THE POLITICAL RATIONALE FOR ESF ALLOCATIONS, IT WAS DEEMED APPROPRIATE THAT CLASP FUNDING SHOULD CONTINUE TO BE CLOSELY LINKED TO THE FUTURE AVAILABILITY OF ESF.

9. STAFFING IMPLICATIONS OF CLASP II DESIGN: TAKING INTO ACCOUNT MISSIONS' CONCERNS ABOUT THE STAFFING IMPLICATIONS OF THE CLASP II DESIGN, ESPECIALLY AS IT RELATES TO FOLLOW-ON ACTIVITIES, THE PP WILL DISCUSS THE STAFFING REQUIREMENTS, BOTH DIRECT-HIRE AND CONTRACT, OF CLASP II, AND WILL INDICATE TO THE MISSIONS THAT THE ADDITIONAL PERSON REQUIRED FOR THE FOLLOW-ON ACTIVITY CAN BE FINANCED FROM PROGRAM FUNDS. THE OE IMPLICATIONS OF THESE STAFFING REQUIREMENTS WILL ALSO BE DISCUSSED. 44

VII - ANNEX I: INITIAL ENVIRONMENTAL EXAMINATION

ENVIRONMENTAL DETERMINATION

PROJECT LOCATION : BOLIVIA
PROJECT TITLE : BOLIVIA PEACE
SCHOLARSHIP PROJECT
PROJECT NUMBER : 598-0661
597-0044
511-0611

PROJECT DESCRIPTION: The Project will equip a broad base of Bolivian leaders with technical skills as well as with an appreciation of the peculiarly American values supporting a free enterprise economy in a democratic society. Project activities include the training of 240 Bolivian leaders, most of them from disadvantaged groups, in short-term technical programs in the U.S. as well as the training of a similar group of 60 leaders in long-term technical programs in the U.S. AID assistance will consist of short- and long-term training, Experience America and the administrative costs of the program.

STATEMENT OF CATEGORICAL EXCLUSION: The Project does not require an Initial Environmental Examination, and is exempt from AID's environmental procedures because its activities are within the class of actions described in Section 216.2 paragraph (C) (1) (i) of 22 CFR part 216 on "Categorical Exclusions", which read as follows:

Section 216.2 (C) (1) (i)

"The action does not have an effect on the natural or physical environment," and

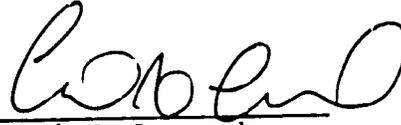
Section 216.2 (C) (2) (i)

"Education, technical assistance, or training programs except to the extent such programs include activities affecting the environment (such as construction of facilities, etc.)."

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Concurrence of Mission Director Recommendation

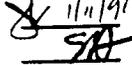
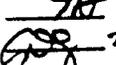
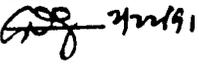
I have reviewed the above statement and recommend that the Bolivia Peace Scholarship Project be deemed a categorical exclusion which does not require an Initial Environmental Examination nor further environmental analysis under AID's environmental procedures.


Carl H. Leonard
Mission Director

Date 2/22/91

0076X

CLEARANCES:

PD&I:LLodle	
ARD:DMcIntyre	Draft 1/9/91
DP:WTate	 1/9/91
EXO:JLiebner	 1/11/91
RLA:SAllen	 2/21/91
DD:GDavidson	 2/21/91

VII - ANNEX J: A.I.D. PROCUREMENT COST ESTIMATES (RESTRICTED)

This Annex provides detailed information on how the cost estimates presented in Section IV - Financial Plan and Analysis were developed. The explanation of the USAID/Bolivia DA cost estimates will follow the financial presentation in Table IV-4 - Expected Disbursement of A.I.D. Funds by Fiscal Year. The development of the GOB counterpart estimates will follow Table IV-2 - Summary Financial Plan.

A. USAID/Bolivia DA Funds

1. Short-term Technical Training (STT)

a. U.S. Training Costs

The basis for estimating U.S. training costs is the experience that was gained from implementing the APSP program. FY 1990 STT costs were carefully analyzed permitting an average monthly training cost to be estimated: \$3,500/month. It is planned that all STT will have an average duration of six weeks (1.5 months). The inflation factor of 6% per year was discussed in Section IV-B-1 - Training Costs. The estimated number of STT participants per Fiscal Year to receive BPSP scholarships is as follows:

FY 1992	60 Participants
FY 1993	60 Participants
FY 1994	60 Participants
FY 1995	60 Participants

The estimating procedure is, therefore, as follows:

FY 1992	$60 \times 1.5 \text{ m} \times \$3,500 \text{ p/m} \times 1.12 =$	\$352,800
FY 1993	$60 \times 1.5 \text{ m} \times \$3,500 \text{ p/m} \times 1.19 =$	374,900
FY 1994	$60 \times 1.5 \text{ m} \times \$3,500 \text{ p/m} \times 1.26 =$	396,900
FY 1995	$60 \times 1.5 \text{ m} \times \$3,500 \text{ p/m} \times 1.34 =$	<u>442,100</u>
Total		\$1,566,700

b. Experience America

Once more, using the FY 1990 implementation cost data for APSP, it was estimated that the actual cost for arranging Experience America programs was \$1,000 per participant over the life of each participant's program. This results in the following budget estimates:

FY 1992	60 x \$1,000 x 1.12 =	\$ 67,200
FY 1993	60 x \$1,000 x 1.19 =	71,400
FY 1994	60 x \$1,000 x 1.26 =	75,600
FY 1995	60 x \$1,000 x 1.34 =	<u>80,400</u>
Total		\$294,600

c. Local Administrative Costs
(Excluding Local Travel)

-- Foreign Exchange Payments (FX)

The Foreign Exchange requirements for Local Administrative Costs was estimated for both Short-term and Long-term Technical Training together because it is difficult to divide the equipment and supplies between the two programs. Once a total was developed, the costs were divided by the ratio of STT to LTT participants in the program. The total cost estimate includes international travel, per diem and equipment/supplies. The estimates for these items are based on the estimated annual costs rather than an inflated estimate of actual costs since most equipment purchases will be made in the first year of the Project. Local travel for the Mission Training Office staff will be funded by GOB counterpart contributions and managed by a local contractor. The following estimates are reported in US\$ 000.

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
<u>International Travel</u>				
Air Travel	6.8	8.0	8.5	6.7
Per Diem	4.5	6.0	5.9	3.6
<u>Equipment/Supplies</u>	<u>13.7</u>	<u>2.0</u>	<u>2.1</u>	<u>2.2</u>
Total	25.0	16.0	16.5	12.5

The division between STT and LTT program costs is calculated as follows:

	<u>STT</u>	<u>LTT</u>	<u>Total</u>
FY 1992	18.5	6.5	25.0
FY 1993	12.0	4.0	16.0
FY 1994	12.0	4.5	16.5
FY 1995	<u>12.5</u>	<u>---</u>	<u>12.5</u>
Total	55.0	15.0	70.0

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-- Local Currency Payments of AID DA Funds

That portion of the salaries of the Mission Training Staff which is dedicated to BPSP STT programs is included in this category. Their projected salary estimates are based on FY 1990 total contract costs inflated until FY 1992 and reported in US\$ 000.

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Tng. Officer (1/2)	13.8	14.6	15.6	16.5
Tng. Coordinator	20.8	22.0	23.3	24.8
Ast. Tng. Coordin.	15.9	16.9	17.9	18.9
Follow-on Co. (1/2)	8.3	8.8	9.3	9.9
Secretary	<u>10.4</u>	<u>11.0</u>	<u>11.7</u>	<u>12.3</u>
Total	69.2	73.3	77.8	82.4

d. U.S. Administrative Costs

The U.S. Administrative Costs have been estimated on the basis of the experience with the APSP program in FY 1990. The average U.S. cost per STT participant was \$800 per person month:

FY 1992	60 x 1.5 m x \$800 p/m x 1.12 =	\$ 80,600
FY 1993	60 x 1.5 m x \$800 p/m x 1.19 =	85,700
FY 1994	60 x 1.5 m x \$800 p/m x 1.26 =	90,700
FY 1995	60 x 1.5 m x \$800 p/m x 1.34 =	<u>96,400</u>
Total		\$353,400

2. Long-term Technical Training (LTT)

a. U.S. Training Costs

The duration of each long-term training program is 10 months per LTT participant. The average cost per person month of U.S. training was estimated from the FY 1990 APSP program experience to be \$2,000. The number of long-term participants proposed for the life-of-project is:

FY 1992	20 Participants
FY 1993	20 Participants
FY 1994	20 Participants

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The estimating procedure for determining LTT U.S. Training Costs is as follows:

FY 1992	20 x 10 m x \$2,000 p/m x 1.12 =	\$448,000
FY 1993	20 x 10 m x \$2,000 p/m x 1.19 =	476,000
FY 1994	20 x 10 m x \$2,000 p/m x 1.26 =	<u>504,000</u>
Total		\$1,428,000

b. Experience America

As was the case for STT, the FY 1990 estimate for each LTT participant's U.S. Experience America program was \$1,000:

FY 1992	20 x \$1,000 x 1.12 =	\$ 22,400
FY 1993	20 x \$1,000 x 1.19 =	23,800
FY 1994	20 x \$1,000 x 1.26 =	<u>25,200</u>
Total		\$ 71,400

c. Local Administrative Costs
(Excluding Local Travel)

-- Foreign Exchange (FX)

The estimating procedure and the LTT estimates for the FX portion of Local Administrative Costs was discussed on page 2.

-- Local Currency (LC)

As in the case of STT programs, this category represents the estimates of the the salary cost of the Mission Training Office which is spent on the programming and monitoring of LTT participants. Total salary costs are, of course, the sum of the STT and the LTT estimates. The estimates are once more based on FY 1990 total contract costs projected until FY 1992 using the 6% inflation rate and reported in US\$ 000:

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Tng. Officer (1/2)	7.2	7.6	8.0	--
BPSP Tng. Coordinator	10.7	11.3	12.0	--
Ast. Tng. Coord.	8.3	8.7	9.2	--
Follow-on Coord. (1/2)	4.3	4.6	4.8	--
Secretary	<u>5.4</u>	<u>5.7</u>	<u>6.0</u>	<u>--</u>
Total	35.9	37.9	40.0	--

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d. U.S. Administrative Costs

The U.S. Administrative Costs are based on FY 1990 experience with the APSP program. The cost is estimated to be \$200 per participant month:

FY 1992	20 x 10 m x \$200 p/m x 1.12 =	\$ 44,800
FY 1993	20 x 10 m x \$200 p/m x 1.19 =	47,600
FY 1994	20 x 10 m x \$200 p/m x 1.26 =	<u>50,400</u>
Total		\$142,800

3. Audits and Mid-project Evaluation

The cost estimates for the FX account include annual audits estimated at \$25,000 per year and one mid-project evaluation to be contracted at the end of FY 1993 (\$56,600).

B. GOB Local Currency Cost Estimate (LC)

1. Short-term Technical Training (STT)

a. Pre-departure Programs

The costs of pre-departure programs was estimated on the basis of FY 1990 programs for APSP STT participants. The average cost per program was estimated to be \$500 per participant.

FY 1992	60 x \$500 x 1.12 =	\$ 33,600
FY 1993	60 x \$500 x 1.19 =	35,700
FY 1994	60 x \$500 x 1.26 =	37,800
FY 1995	60 x \$500 x 1.34 =	<u>40,200</u>
Total		\$147,300

b. Follow-on Activities

The average projected cost per APSP STT participant for follow-on activities was estimated at \$600:

FY 1992	60 x \$600 x 1.12 =	\$ 40,300
FY 1993	60 x \$600 x 1.19 =	42,800
FY 1994	60 x \$600 x 1.26 =	45,400
FY 1995	60 x \$600 x 1.34 =	<u>48,200</u>
Total		\$176,700

c. Local Administrative Costs

These are the local travel and per diem costs of the Mission Training staff working on the implementation of the BPSP program. As was the case of the "international travel, equipment and supplies" portion of Local Administrative Costs, estimates of local travel have been based on the total projected requirements for the BPSP Training Staff and prorated between STT and LTT programs on the basis of the total number of participants in each category. The estimates in US\$ 000 are as follows:

	<u>STT</u>	<u>LTT</u>	<u>Total</u>
FY 1992	3.0	2.4	5.4
FY 1993	11.1	5.7	16.8
FY 1994	12.3	5.9	18.2
FY 1994	<u>13.6</u>	<u>-</u>	<u>13.6</u>
Total	40.0	14.0	54.0

d. International Travel

The average actual costs of round-trip tickets from Bolivia to the U.S. for FY 1990 have been \$1,600:

FY 1992	60 x \$1,600 x 1.12 =	\$107,500
FY 1993	60 x \$1,600 x 1.19 =	114,200
FY 1994	60 x \$1,600 x 1.26 =	121,000
FY 1995	60 x \$1,600 x 1.34 =	<u>128,600</u>
Total		\$471,300

2. Long-term Technical Training (LTT)

a. Pre-departure Programs

The costs of pre-departure programs were estimated in the same way as for the STT participants at \$500 per LTT participant:

FY 1992	20 x \$500 x 1.12 =	\$ 11,200
FY 1993	20 x \$500 x 1.19 =	11,900
FY 1994	20 x \$500 x 1.26 =	<u>12,600</u>
Total		\$ 35,700

b. Follow-on Activities

The average projected cost per APSP LTT participant for follow-on activities was estimated at \$750 for FY 1990:

FY 1992	20 x \$750 x 1.12 = \$	16,800
FY 1993	20 x \$750 x 1.19 =	17,900
FY 1994	20 x \$750 x 1.26 =	<u>18,900</u>
Total		\$ 53,600

c. Local Administrative Costs

The LTT Local Administrative Costs which include the local travel of the BPSP staff was calculated on page 5.

d. International Travel

The average actual costs of round-trip tickets from Bolivia to the U.S. for FY 1990 were \$1,600:

FY 1992	20 x \$1,600 x 1.12 = \$	35,800
FY 1993	20 x \$1,600 x 1.19 =	38,100
FY 1994	20 x \$1,600 x 1.26 =	<u>40,300</u>
Total		\$114,200

3. Local Audits

Counterpart funds have been reserved for auditing the Bolivian contractor managing the local logistical support for the BPSP program:

FY 1992	\$	25,000
FY 1993		25,000
FY 1994		25,000
FY 1995		<u>25,500</u>
Total		\$100,500

4. Total GOB Counterpart Costs (LC)

The GOB counterpart contribution will provide funding for all of the above cited Project components. The annual total, as reported in Table IV-4 in US\$ 000, is estimated as follows:

	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>
Pre-departure				
STT	33.6	35.7	37.8	40.2
LTT	11.2	11.9	12.6	--
Follow-on				
STT	40.3	42.8	45.4	48.2
LTT	16.8	17.9	18.9	--
Admin. - Local				
STT	3.0	11.1	12.3	13.6
LTT	2.4	5.7	5.9	--
Int'l Travel				
STT	107.5	114.2	121.0	128.6
LTT	35.8	38.1	40.3	
Local Audits	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>25.5</u>
Total	275.6	302.4	319.2	256.1

C. Bolivia In-kind Contributions

The Bolivia In-kind contributions represent the salary payments made by the sponsoring institutions to the participants while they are in training. Given the disadvantaged nature of the participants, the salary level will be very low -- an estimated equivalent of FY 1990 US\$ 300 per month. These are projected forward using the 6% inflation factor for the entire project:

<u>FY 1992</u>	
STT	60 x 1.5 m x \$300 p/m x 1.12 = \$ 30,200
LTT	20 x 10 m x \$300 p/m x 1.12 = 67,200
<u>FY 1993</u>	
STT	60 x 1.5 m x \$300 p/m x 1.19 = 32,100
LTT	20 x 10 m x \$300 p/m x 1.19 = 71,400
<u>FY 1994</u>	
STT	60 x 1.5 m x \$300 p/m x 1.26 = 34,000
LTT	20 x 10 m x \$300 p/m x 1.26 = 75,600
<u>FY 1995</u>	
STT	60 x 1.5 m x \$300 p/m x 1.34 = <u>36,200</u>
Total	\$346,700

VI - ANNEX L: A.I.D.'S ACCOUNTING AND DISBURSEMENT PROCEDURE

A.I.D. is required to account for its projects on an accrued expenditure basis by project element. In addition, A.I.D.'s Project Accounting System requires that, as project activities are carried out, commitments be made for each financial transaction against the appropriate project element. Disbursements are then made against each commitment and recorded in the ledgers. A Project Status Report is then prepared and is available for general information at the Office of the Controller. This section explains how commitments for each project element are made and the procedure for making disbursements against those commitments. The explanations and instructions are provided by each BPS Project element as shown on the budget contained in Table IV-3 from Section IV - Financial Plan and Analysis.

A. Element I - Short-term Technical Training

1. Purpose of the Element

This element will finance all of the project activities related to the training of 240 Bolivians in Short-term Technical Training in the U.S. Some of the element's subcomponents will be funded by the GOB from ESF local currency. These subcomponents are not included in A.I.D.'s Project Accounting System. These subcomponents are: (1) Pre-departure Programs; \$147,300, (2) Follow-on Activities; \$176,700, (3) Local Administrative Costs - local travel; \$40,000, and (4) Participant's International Travel; \$471,300. The subcomponents included in the A.I.D. Project Accounting System are: (1) U.S. Training; \$1,566,700, (2) Experience America; \$294,600, (3) Local Administrative Costs; \$357,700, and (4) U.S. Administration; \$353,400.

2. Implementation Plan

Three of the subcomponents of the A.I.D. Project Accounting System (U.S. Training, Experience America and U.S. Administration) will be implemented by a U.S. training contractor with payments made through a Federal Reserve Letter of Credit. The Implementation Plan for these subcomponents will be included in the Country Training Plan (CTP) developed by the Mission's Training Office. The CTP will establish the specific dates for completing the specific training proposals and the PIO/Ps (the obligating document for training funds) as well as the departure date for each training group. The remaining subcomponent -- Local Administrative Costs -- includes the

purchase of equipment and supplies, international travel and the salaries of the Mission Training Staff engaged in BPSP implementation. This subcomponent will be managed directly by the Controllers Office from a direct payment from Project funds. An annual implementation plan -- a by-product of the Country Training Plan -- will be prepared by the Training Office to establish the dates of equipment purchases and international travel. The remaining payments -- salaries and supplies -- are fixed expenditures which do not require an implementation plan.

3. Detailed Budget

Based on the implementation plans, a detailed project budget will be prepared for each subcomponent in the element. This budget includes all A.I.D. and GOB counterpart funding requirements whether it is to be disbursed in U.S. dollars or bolivianos (Bs) by year for the four years of the Project (See Table IV-4 - Expected Disbursement of A.I.D. Funds by Fiscal Year).

4. Methods for Making Commitments

The direct costs for implementing the U.S. portion of the program will be managed by the U.S. training contractor under the guidance provided by their contract. The basic instrument for advising them of procurement requirements for individual training programs will be through the Country Training Plan which establishes the exact dates and other details of each program. The obligating document will be the individual training proposal and the PIO/P for each training group which will be prepared by the Mission Training Office at least three months prior to the participants' departure. The Local Administrative Cost portion is administered by the Mission's Controllers Office. The commitment for equipment and international travel will be made through an annual Implementation Plan while PIO/Cs and travel requests will be the obligating documents. Salaries on the basis of Mission contracts and the purchase of office supplies will be paid on a regular basis.

There will be no local currency support costs in the A.I.D. Project Accounting System as all local currency requirements will be provided by the GOB from ESF local currency.

5. Method for Making Disbursements for Project Subcomponents

USAID/Bolivia will make periodic advances to the U.S. training contractor through the Federal Reserve Letter of Credit mechanism. All disbursements made by the Mission's Controllers Office will be financed by direct payment from Project funds.

B. Element II - Long-term Technical Training

1. Purpose of the Element

This element will finance all of the Project activities related to the training of 60 Bolivians in Long-term Technical Training programs in the U.S. As was the case for Short-term Technical Training, some of the subcomponents will be funded by the GOB from ESF local currency: (1) Pre-departure Programs; \$35,700, (2) Follow-on Activities; \$53,600, (3) the local travel of Local Administrative Costs; \$14,000, and (4) Participant's International Travel; \$114,200. The subcomponents to be financed under the A.I.D. Project Accounting System include: (1) U.S. Training; \$1,428,000, (2) Experience America; \$71,400, (3) Local Administrative Costs; \$128,800, and (4) U.S. Administration; \$142,800.

2. Implementation Plan

Three of the A.I.D. Project Accounting System subcomponents (U.S. Training, Experience America and U.S. Administration), as was the case with Short-term Technical Training, will be managed by a U.S. training contractor. The Implementation Plan for committing Project funds are the same, therefore, as was the case for Short-term Technical Training -- the preparation of Country Training Programs. For the disbursements to be made by the Controllers Office, the same annual implementation plan as is used for Short-term Technical Training will provide information concerning the purchase of equipment and the requirements for international travel. Salaries and office supplies are fixed monthly payments.

3. Detailed Budget

As was the case for Short-term Technical Training, the Long-term Technical Training element will be included in the same detailed budget based on Table IV-4 - Expected Disbursements of A.I.D. Funds by Fiscal Year.

4. Method for Making Commitments

The Country Training Plan will establish the dates and character of the commitments. The Mission will prepare training proposals for the U.S. training contractor and PIO/Ps which will be the mechanisms (as was the case for Short-term Technical Training) to obligate Project funds managed by the U.S. contractor. Equipment and international travel will be obligated by PIO/Cs and travel requests prepared by the Training Office and processed by the Controllers Office.

4. Methods for Making Disbursements

The U.S. training contractor will receive advances under a Federal Reserve Letter of Credit with vouchers submitted to AID/W. Again, direct payments will be made from Project funds to cover the equipment, international travel and salaries managed by the Mission Controllers Office.

C. Element III - Audits and Evaluations

1. Purpose of Element

The Project provides for annual audits of the U.S. training contractor and for a mid-project impact evaluation to take place at the end of FY 1993.

2. Implementation Plans

The Project Paper, in its Implementation Plan, indicates the timing of the mid-project evaluation. Audits will regularly take place at the end of each fiscal year unless it is determined in the contract negotiations that, given the financial information provided by the prospective contractor, annual audits are not required.

3. Detailed Budget

The same budget format will be used as for the above elements -- See Table IV-4 - Expected Disbursements of A.I.D. funds by fiscal year.

4. Methods for Making Commitments and Disbursements

The mid-project evaluation will be obtained through a buy-in to the AID/W regional evaluation contract. A work-order will be prepared and approved by LAC/DR. Annual audits will be obtained through AID/W or Mission Indefinite Quantity Contractors (IQCs), again through the work-order mechanism.