

PD-ABD-643

ISN 75295

UNCLASSIFIED

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

NICARAGUA

PROJECT PAPER

DEVELOPMENT TRAINING

AID/LAC/P-697

PROJECT NUMBER: 524-0318

UNCLASSIFIED

PD-ABD-643

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

- A. Add
- C. Change
- D. Delete

AMOUNT NUMBER

3

COUNTRY/ENTITY

Nicaragua

3. PROJECT NUMBER

524-0318

4. BUREAU/OFFICE

LAC

5. PROJECT TITLE (maximum 40 characters)

Development Training

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
10/8/91

7. ESTIMATED DATE OF OBLIGATION

(Under 8.1 below enter 1, 2, 3, or 4)

A. Year: 91

B. Quarter: 3

C. Fiscal Year: 96

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

A. FUNDING SOURCE	FISCAL FY 91			E. FX	F. LIFE OF PROJECT	G. TOTAL
	B. FX	C. L/C	D. Total			
Approved Total						
Grants	1,955	45	2,000	19,287	713	20,000
Loans						
Other: 1.						
U.S. 2.						
Host Country						
Other Donors)						
TOTALS	1,955	45	2,000	19,287	713	20,000

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROXIMATE DATE OF FUNDING	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) ESF	B600	010				2,000		20,000	
(2)									
(3)									
(4)									
TOTALS						2,000		20,000	

10. SECONDARY TECHNICAL CODES (maximum 8 codes of 3 positions each)

690

11. SECONDARY PURPOSE CODE

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

A. Code
B. Amount

BR

BU

BL

BW

13. PROJECT PURPOSE (maximum 480 characters)

To provide skilled human resources critical to democratic transition and economic recovery in Nicaragua.

14. SCHEDULED EVALUATIONS

Interim: MM YY 08/94 Final: MM YY 08/97

15. SOURCE/ORIGIN OF GOODS AND SERVICES

Central American
Market

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of 8 page PP. (amendments))

17. APPROVED BY

Signature

Janice Ballantyne

Title

Mission Director

Date Signed

MM DD YY
09/03/91

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

MM DD YY

6

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
USAID: Managua
APO Miami 34021-3240



AGENCIA INTERNACIONAL PARA EL DESARROLLO
Pista Sub Urbana
Apartado Postal C-167 Managua
ZP 13

PROJECT AUTHORIZATION

Name of Country: Nicaragua
Name of Project: Development Training Project
Number of Project: 524-0318

1. Pursuant to Section 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Development Training Project for Nicaragua involving an obligation not to exceed Twenty Million United States Dollars (\$20,000,000) in Grant funds over the period from the date of obligation through a Project Assistance Completion Date of August 31, 1997, subject to the availability of funds in accordance with the AID/OYB allotment process, to help in financing foreign exchange and local currency costs for the Project.

2. The Project intends to promote the development of a functioning, stable democracy and sustainable broad-based economic growth by providing skilled human resources critical to democratic transition and economic recovery in Nicaragua. The Project combines the Nicaraguan Component of the Caribbean and Latin American Scholarship Program II (CLASP II) and a traditional Development Training Component. The Clasp II Component will concentrate on support for democratic transition through leadership development among disadvantaged populations. The Development Training Component will emphasize human resource development necessary for stabilization and economic recovery.

3. The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with AID Regulations and Delegations of Authority, shall be subject to the following essential terms and conditions, together with such other terms and conditions as AID may deem appropriate:

A. Source and Origin of Goods and Services

Commodities financed by AID under the Grant shall have their source and origin in the United States or in the Cooperating Country or in any other Central American Common Market country, except as AID may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have countries which are members of the Central American Common Market, the Cooperating Country, or the United States (AID Geographic Code 000) as their place of nationality, except as AID may otherwise agree in writing. Ocean shipping financed by AID under the Grant shall, except as AID may otherwise agree in

- b -

Geographic Code 000) as their place of nationality, except as AID may otherwise agree in writing. Ocean shipping financed by AID under the Grant shall, except as AID may otherwise agree in writing, be financed only on flag vessels of the United States.

4. The Mission intends to waive, prior to Project implementation, the requirement for payment by the Government of Nicaragua of international travel costs for Project participants.

Janet C. Ballantyne
Janet C. Ballantyne
Mission Director
USAID/Nicaragua

Drafted: PDIS: DLieberman: DL

Cleared: PDIS: JCloutier: DRAFT

GDO: LAyalde: DRAFT

CO: JCorley: DRAFT

PEPS: RBurke: DRAFT

OFIN: RLayton: RL

DDIR: KSchofield: KS

Date: 8/23/91

Date: 8/19/91

Date: 8/19/91

Date: 8/21/91

Date: 8/21/91

Date: 8/23/91

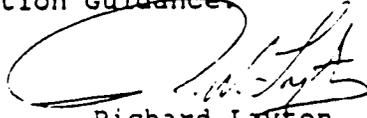
Date: 8/27/91

-C'

DEVELOPMENT TRAINING PROJECT

PROJECT 524-0318

This PP complies with current Agency Guidance on methods of financing and implementation and has provided for adequate audit coverage in accordance with the Payment Verification Policy Implementation Guidance.



Richard Layton
Controller

al.

TABLE OF CONTENTS

GLOSSARY OF TERMS	i
I. SUMMARY AND RECOMMENDATIONS	1
A. Recommendations	1
B. Summary	1
II. BACKGROUND AND RATIONALE	3
A. Country and Program Background	3
B. Relationship to Other Mission Programs	4
C. Program Strategy	4
1. <u>Component One - Nicaragua Peace Scholars/ CLASP II.</u>	5
2. <u>Component Two - Development Training.</u>	7
3. <u>Key Definitions.</u>	8
III. PROJECT DESCRIPTION	10
A. Goal and Purpose	10
B. Project Activities	10
1. <u>General Description.</u>	10
2. <u>CLASP II Component.</u>	14
3. <u>Component Two - Development Training.</u>	21
IV. FINANCIAL PLAN AND ANALYSIS	26
A. CLASP II Program Budget Summary	26
B. Nicaragua Project Budget	27
C. Financial Analysis	31
D. Methods of Implementation and Financing	32
V. IMPLEMENTATION AND EVALUATION PLAN	33
A. Administrative Arrangements	33
1. <u>Grantee/Obligation Mechanism.</u>	33
2. <u>Implementation Responsibilities.</u>	34
B. Implementation Plan and Schedule	38
C. Contracting Plan	41
D. Monitoring and Evaluation Plan	42
VI. SUMMARY OF PROJECT ANALYSES	50
A. Social Analysis	50
B. Administrative and Institutional	53
C. Economic	55
D. Technical	56

Annexes

- A. Logical Framework**
- B. Standard Checklist**
- C. PID Guidance Cable**
- D. CLASP II Program Description and Rationale**
- E. Detailed Budget Estimates**
- F. Initial Environmental Examination**
- G. Letter of Request for Assistance**
- H. Draft Waiver for International Travel**

1

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 in Service to Latin America
CTP	Country Training Plan
DA	Development Assistance account
EA	Experience America
EOPS	End of Project Status
ELT	English Language Training
ESF	Economic Support Fund account
FSN	Foreign Service National
GAO	U.S. Government 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
LAC/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
PPC	Program and Policy Coordination, AID
PTIIC	Presidential Training Initiative for the Islands 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
WIC	Washington International Center

I. SUMMARY AND RECOMMENDATIONS

A. Recommendations

It is recommended that U.S.A.I.D./Nicaragua approve the Development Training Project with life of project funding of \$20 million. The project will have a five year obligation period and a six year implementation period to allow adequate time for long-term participants to return.

B. **Summary** The goal of the Development Training Project is to promote the development of a functioning, stable democracy and sustainable broad-based economic growth in Nicaragua.

The purpose of the DTP project is to provide skilled human resources critical to democratic transition and economic recovery in Nicaragua. The project combines the Nicaraguan component of the Caribbean and Latin American Scholarship Program II (CLASP II) and a traditional development training component. The CLASP II component will concentrate on support for democratic transition through leadership development among disadvantaged populations. The development training component will emphasize human resource development necessary for stabilization and economic recovery.

The CLASP II component is a continuation of the \$282.7 million Caribbean and Latin American Scholarship Program (CLASP) which was initiated in 1985 as a response to the scholarship recommendation of the National Bipartisan Commission on Central America (NBCCA) report. The CLASP II Program purpose is to equip a broad base of leaders and potential leaders with technical skills, training, and academic education and an appreciation and understanding of the workings of a free enterprise economy in a democratic society. The CLASP II program requirements are that: at least 70% of the Peace Scholars must be socially and/or economically disadvantaged; at least 40% of all Peace Scholars must 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; and no fewer than 10% of all Peace Scholars will be trained in Historically Black Universities and Colleges (HBCUs). Nicaragua did not participate in CLASP I.

All CLASP II training will take place in the U.S. The primary target groups will be leaders and potential leaders in the education sector, mayors and regional council members, and cooperative leaders. An estimated 260 Nicaraguans will attend short term technical programs and an estimated 77 will attend long term programs.

The development training component has some of the same objectives as the CLASP II component, but its purpose is to develop a trained cadre of public and private sector Nicaraguans at all socio-economic levels. Because the goals for development in Nicaragua are broad, this component is to be implemented to support the full USAID/Nicaragua program. This broad-based approach allows for complementarity between the CLASP and development training components of this project and among mission technical programs.

The development training component will provide long-term academic training in U.S., local, and regional institutions in fields supportive of mission strategic objectives. In addition, this component will support short-term technical and management training for key institutions. The majority of the training for these institutions will be in Nicaragua.

Training under both components will meet high standards of quality in training program design and implementation. Training plans will be designed in response to training needs assessments to meet specific objectives. All U.S. training programs will include adequate pre-departure orientation and preparation, customized technical or academic training, an Experience America component integrated into the overall training plan and customized to the needs of the individual or group, and follow-on activities designed to help the participants apply their training in Nicaragua.

All project costs will be provided in dollars. Counterpart contributions will not be required.

Development Training Project
Summary of Activities and Costs

<u>Input</u>	<u>Person Months of Training</u>	<u>Total Cost (\$000)</u>
<u>Training</u>		
US Technical	1,259	\$6,474
US Academic	1,740	\$4,440
Third Country Academic	1,563	\$2,117
In Country Training	713	\$964
Technical Assistance	1,010	\$1,163
Administrative/overhead		\$3,785
Evaluation/audit		\$240
Contingency		\$817
Total	6,285	\$20,000

II. BACKGROUND AND RATIONALE

A. Country and Program Background

The dominant factor in social, political, and economic life in Nicaragua today is the emergence of a progressive, democratically elected government after decades of authoritarian misrule and civil war from which the country is recovering. Nicaragua will need significant outside assistance to supplement its own efforts to develop. USAID/Nicaragua has outlined its intended assistance strategies in the recently approved Country Development Strategy Statement. The Development Training Project (DTP) is designed to support and enhance the mission's strategies.

The development needs of Nicaragua over the period 1991-1996 are broad, deep, and complex. The new government elected in 1990 has inherited the results of ten years of economic mismanagement, war, economic embargo, and political polarization. The new government's accomplishments have been significant: ending the war, demobilizing armed forces, and laying the groundwork for future progress. The development needs, however, are obvious everywhere and will strain both the government and donors to respond. For there to be economic and social development, there must be broad-based, sustainable economic growth, a functioning, stable democracy, and a healthy, literate population. None of these conditions exist in Nicaragua in 1991.

Expanded participation in a growing economy is critical to economic, democratic and social goals of the country. A combination of serious GDP decline and three years of hyperinflation resulted in insufficient incomes to meet family needs for food, clothing and shelter. The short-term need has been economic stabilization and during 1991 progress has been made towards achieving it. The longer term need is broadly based growth. Women, marginalized ethnic groups, demobilized military and resistance fighters and other disadvantaged groups must find jobs, start businesses, and improve their quality of life. In order to accomplish these goals, Nicaragua must have a revitalized private sector, improvement in investment productivity, entrepreneurship, exports, diversification, and efficient and environmentally sound resource use. In addition, Nicaragua will require a government capable of efficiently and effectively providing the functions appropriate for the public sector.

The Development Training Project is consistent with CDSS strategy in its design to train those who will contribute to improving government services to create a positive investment environment. The development training component includes training for public sector and parastatal employees in key institutions as well as training for individuals with leadership capabilities. The CLASP II component supports the goal of expanding economic participation by training regional and community leaders, especially women and minorities.

A second critical need for Nicaraguan development is the transition to democracy. Individuals must be educated to be able to participate in decisionmaking. There is also a relationship between economic development and sound democracy; democratic transition improves investor confidence, thus strengthening economic growth. If the growth is broad-based, it will ameliorate the sources of discontent which have destabilized Nicaragua in the past. Both components of the Development Training Project will address these needs and complement other mission efforts by focusing on training designed to expand the leadership base of the country. The project will provide training for formal (elected/appointed) and informal regional/municipal leaders who broaden decision-making.

Finally, meeting basic social needs, such as education, will be critical to supporting both economic growth and democracy. The CDSS describes these needs in Nicaragua as improved basic, vocational, and university education. Significant training is planned for the education sector. The CLASP component names normal school teachers, inservice trainers, and university faculty as probable target groups.

An area of special attention in the CDSS is the Atlantic Coast with its principally minority inhabitants. It has been adversely affected by the war and natural disasters and a particularly weak economy that is further strained by trying to integrate large numbers of demobilized members of the Nicaraguan Resistance into the local economy.

B. Relationship to Other Mission Programs

USAID/Nicaragua's strategy is to address economic, democratic, and social needs with a series of programs and projects in each area. Both public and private sector training will support this strategy. The education sector program planned for FY 1991 will benefit from training of Ministry of Education officials who will receive training under DTP before the education project begins. The training under the Development Training Project will also support and complement mission efforts in banking and financial system reform; investment promotion and support; agricultural practices and watershed management; public sector efficiency; and a broad range of development activities for the Atlantic Coast.

C. Program Strategy

The Sandinista revolution and ensuing government has had a major impact on the leadership structure and human resource base in Nicaragua. The Sandinistas weakened traditional influences associated with the previous government, such as businesses, government organizations, mass media, labor unions, cooperatives and church groups. They strengthened new mass communication media; neighborhood, district, city, and regional committees; industrial, commercial, agricultural, civil service, educational and health workers unions; and cooperatives; while they simultaneously restructured ministries, legislative, executive and judicial branches of government and new geographical regions which replaced departments.

These changes resulted in a loss of professional and administrative competence as experienced personnel migrated to other countries. The private sector became relatively weaker as the public sector was strengthened and the efficiency and quality of education declined after initial gains in some areas. Agricultural production also declined in this period. Overall, the policies of the Sandinista government resulted in a polarized society that faces obstacles in attempting to lead by consensus.

In light of the serious weaknesses in skilled human resources in Nicaragua in virtually all sectors and institutions, investments in human capital are essential. Economic and political recovery will require a solid base of people with technical and management skills and an understanding of the values of pluralism and free enterprise economics. In order to maximize the impact and spread effect of the relatively small amount of training that can be financed by AID, the program will focus on leadership development and critical management and technical skills in priority sectors.

USAID/N conducted two analyses to identify appropriate investments in training. The Social Institutional Framework (SIF) is the analytical basis for the mission strategy to achieve the CLASP II objectives in the Nicaraguan context. In addition, a multisectoral training needs assessment analyzed HRD constraints in selected sectors for the development training component. The SIF analyzes the leadership structure in Nicaragua at the national, departmental, municipal and community levels and identifies institutions and positions from a broad spectrum of society that will be influential in determining the future directions of social, political, and economic development in Nicaragua. The Needs Assessment identifies priority training needs in selected public and private sector organizations and serves as a basis for planning.

1. Component One - Nicaragua Peace Scholars/ CLASP II.

The objective of the CLASP II program is to train individuals in leadership positions, particularly those from disadvantaged segments of the population. This component will provide training in two general areas: the basic skills and attitudes necessary to participate in and strengthen a democratic system; and the technical, organizational, and planning skills needed for economic, social, and political development. CLASP II scholars are expected to return to Nicaragua and actively work to share their newly acquired skills and knowledge with co-workers, and to contribute directly to the social, economic and political development of their organizations and communities.

The SIF assessed the leadership structure in Nicaragua and concluded that an effort should be made to broaden the leadership base at the community, regional, and national levels and to expose these leaders to the workings of a pluralistic society. The SIF sought to identify key sectors and organizations that are influential in shaping actions and opinions and can have a significant spread effect. While participants can represent all socio-economic strata of society, the primary emphasis is on the socially and economically disadvantaged. Leader groups were identified and evaluated based on their potential impact on youth,

promotion of democratic pluralism; potential impact on the sector; and potential spread effects. The SIF proposes selection criteria to choose candidates from the key sectors who will contribute most to maximizing the success of the Project.

The following key sectors and positions were identified in the SIF as a basis for concentrating the CLASP II Project activities:

(a) Education: This sector has the potential for providing Nicaraguans with skills to promote economic development, an appreciation of democratic values, and improved health and agriculture practices. During the Sandinista government, positions of authority were frequently filled with party loyalists who did not necessarily possess the technical skills for their jobs. The quality and efficiency of the education system has deteriorated. Training needs to be provided to leaders with the most significant multiplier effect. Some specific occupational groups to be included in the CLASP II component were identified in the SIF and others may be identified during implementation. Those already identified include:

- **Normal School Teachers:** Regular employees of normal schools, these teachers are responsible for educating primary school teachers for the entire public school system. In addition to influencing the primary education system, as individual citizens, they are respected members of their communities and provide leadership for community development projects.
- **Normal School In-Service Trainers:** Ministry of Education in-service trainers work directly with normal school teachers. They impact on future primary school teachers, and since they work with all the normal schools, their influence is wider than that of the normal school teachers.
- **University Professors:** Faculty members influence not only the student body at their particular university but also national and community opinions through their research and teaching. They are respected because of their education and are considered national leaders.

(b) Government and Democratic Initiatives: In government, new leadership extends from central ministries to the lowest governmental levels. The CLASP objectives focus on regional and municipal leadership.

- **Mayors:** Mayors are true leaders in the communities because they are elected government officials. They are members of the municipal councils which were elected by popular vote who were in turn elected by other council members. A long (six years) tenure ensures that the decisions they make affect all residents. They also influence national governmental decisions through their political parties and interaction with national organizations designed to serve municipal governments.

- **Regional Council Members:** These elected officials influence the community or region in which they reside in the Atlantic coast region. They organize and speak for the community, plan development projects for the region and represent their communities at the regional level and, at times, at the national level. Trainees from this region should include representatives of the major ethnic minority groups (Miskito, Rama, Sumo, Blacks).

(c) Private Sector: The traditional private sector leadership was weakened during the period of strengthening state power. Many young potential leaders in this sector left the country. Some current private sector leaders, however, have demonstrated initiative, adaptation, and a desire to take advantage of opportunities created by the defeat of the Sandinista government. Key training opportunities in this sector that will broaden economic participation in rural and disadvantaged areas include:

- **Cooperative Promoters:** There is some variation in the breadth of impact of the promoters. Promoters who work for FUNDE through CECOOP have a national impact because they work with cooperatives all through Nicaragua. Other promoters work within specific cooperatives and influence the members of that cooperative and the community served by the cooperative.
- **Cooperative Managers:** The influence of cooperative managers is broad, including the members of the cooperative they manage, communities in which they reside, the national cooperative movement through their contacts with national organizations, buyers and other intermediaries in the production/marketing process.

Simply stated, the CLASP II component strategy is to identify key sectors which have the greatest potential for affecting the economic and social well-being of disadvantaged Nicaraguans, to concentrate training opportunities in a limited number of sectors so that critical masses of leaders can work together to bring about change, and to select those individuals within these key sectors and locations who have the greatest leadership potential for promoting development.

2. Component Two - Development Training.

The state of human resource development in many management and technical areas suffered considerably during the past 12 years. The private sector suffered important setbacks. Nicaragua lost large numbers of its best trained and most entrepreneurial citizens during the tenure of the previous government; therefore, management skills are largely lacking in all sectors. Of equal concern is the general level of education for the bulk of the workforce.

The public sector is characterized by an exceedingly weak human resource base. The needs assessment found that organizations have a very small percentage of professional staff (university graduates). Employees have poor academic preparation. They lack the technical knowledge to carry out their tasks effectively. Inefficient delivery of public services result from inadequate planning, budgeting, logistics, and information management skills.

The scope of Nicaragua's human resource development problem is such that it is difficult to focus the Project resources in such a way as to make a meaningful impact. Therefore, the mission has decided to focus this component on two areas--institutional strengthening of a limited number of key public sector organizations and general manpower development in priority fields. The institutional strengthening activity will provide technical and management training and technical assistance directed toward improving the functioning of key public finance institutions, public utilities, and ministries through which the USAID program is being implemented.

The general training activity is intended to increase the number of people with higher level technical and management education in Nicaragua. The strategy is to provide academic training in the U.S. and third countries in fields that are important to the development of Nicaragua. Given the weakened state of most organizations in the country at this time, it was decided that the scholarships should be offered to outstanding individuals rather than organizations. The mission expects that the majority of the individuals who receive these scholarships will end up working in the private sector.

3. Key Definitions.

Leader/Leadership - Two distinct types of leadership are present in Nicaragua. Formal leadership, associated with a position of authority, is achieved by election or by appointment. Informal leaders are individuals who promote their ideas or opinions and to whom other people respond for the collective benefit of the group. Informal leaders typically have superior analytical capacity, organizational capacity (to operationalize ideas), communication skills (to transmit ideas), decision making capacity, and executive capacity. Informal leaders also are able to teach others, a capacity which complements their motivational skills. Informal leaders are often natural leaders.

Informal leaders influence public opinion on the national level through mass media (radio and TV commentators and journalists) and through interpretation of contemporary issues (professors, authors, intellectuals) that can form the intellectual and value systems of future leaders. At the community level, informal leaders interpret messages of national opinion makers and interact with organizations outside the community. These individuals may be local parish priests, school teachers, and professionals, such as doctors, lawyers and local business leaders.

Formal leaders have institutional support which is inherent to their place in formal structures. Informal leaders gain their support from ideas and responses of group members to them. In Nicaragua, there was high level of coincidence between formal and informal leadership roles during the last decade.

Economically Disadvantaged - Economically disadvantaged individuals are characterized by a low level of income and limited access to financial resources. Many of them come from rural or marginal urban backgrounds, are women, and/or have a low level of formal education. A large percentage of the Nicaraguan population lives under poverty conditions and do not have the means to consume the forty-eight products found in the basic bread basket which is valued at 600 cordobas.

In view of the recent hyperinflation and currency stabilization measures, it is not possible to find reliable formal definitions of poverty levels. For purposes of the CLASP II project, an income level of \$300/month for single individuals as a threshold for defining economically disadvantaged, and that this level be increased by \$100/month for a spouse and \$50/month for each additional dependent. In the case of family members, the total income generated by all family members should be included in the computation.

Socially Disadvantaged - Socially disadvantaged Nicaraguans are individuals with the following characteristics: parents with a low level of formal educational and occupational attainment; often low income families; female; reside in rural and/or marginal urban areas; and those from the Atlantic region, who are of native Indian (Miskito, Sumo, Rama) and/or Black ethnic background are socially disadvantaged in Nicaraguan society.

Elite - Elites are individuals who are identified with privileged classes in Nicaragua. The traditional elites are a limited number of families with privileged access to wealth and prestige who obtain their status through heredity and maintain it through intermarriage. They are easily identified by name and all have received university educations, many at the U.S. and European institutions. In addition, some new families have entered the elite minority in the past ten years through the extensive monopoly of power and access to wealth created by the Sandinista revolution.

Political Elite - Political elites include members of traditional families that occupy formal leadership positions as well as new aspirants to this class, including leaders of the Sandinista revolution, particularly those who dominate the armed forces and national police.

Economic Elite - The traditional economic elites are landed gentry, large industrialists, and owners of major commercial firms. As with poverty, it is difficult to assign a precise income figure to elites. While the SIF review recognizes this and defines a family with an income over \$100,000 per year as economically elite, for the purposes of this project component, the term will be defined as including those families whose combined income and net assets would reasonably allow them to

provide family members with the opportunity to attend institutions of higher learning in the United States.

III. PROJECT DESCRIPTION

A. Goal and Purpose

The goal of the Development Training Project is to promote the development of a functioning, stable democracy and sustainable broad-based economic growth in Nicaragua.

The purpose of the DTP project is to provide skilled human resources critical to democratic transition and economic recovery in Nicaragua. Within this overall purpose, the CLASP II component will concentrate on support for democratic transition through leadership development among disadvantaged populations. This component will attempt to create a more balanced view of the democratic process among the polarized population and will:

- 1) strengthen the democratic process in Nicaragua through the encouragement and improved understanding of pluralism and majority rule decisionmaking;
- 2) facilitate Nicaragua's social, economic and political development by providing relevant skills and knowledge to leaders and potential leaders; and
- 3) strengthen business, institutional and/or social relationships between Nicaragua and the United States.

The development training component has essentially the same objectives, but will extend the training opportunities to include in-country and third country training and will not be constrained by the CLASP specific selection criteria for US training.

B. Project Activities

1. General Description.

The DTP project will consist of both technical and academic training needed to meet the economic development and leadership needs of Nicaragua. The training falls under two major components, CLASP II and development training, each of which has distinct target groups while contributing to the same project objective. All mission training will conform to some general policies, principles of effective training, and procedures. The common approach to all training will include the following:

The project will be implemented through a U.S. contractor responsible for all phases of the project from recruitment and screening through follow-on activities. This will facilitate application of consistent policies and quality for all participants. The contractor will establish a local office, either directly or through a sub-contract which will be responsible for screening, interviewing, documenting and informing candidates of their status. This office will maintain the automated training information system with detailed files on the selection and composition of each group as well as each trainee. The information system used will be the CLASP Information System (CIS) program developed for the CLASP program.

While each of the training modes will have unique aspects, some elements of implementation will be common to all types of training. These common project elements are described below:

All training sponsored under the DTP project will meet the following standards:

- systematic, written recruitment and selection practices to identify the best candidates in a fair process. Each component will have specific committees, selection criteria, sub-plans, and selection process appropriate to the target groups and objectives. USAID/N will have final approval authority of all candidates.

- a key criteria for all US and third country academic training will be leadership qualities either in professional or community activities.

- all individual training plans will be carefully developed to meet the specific educational or training needs of the participants. Specific needs assessments will be conducted for all technical training programs to identify concrete skills that can be effectively used in the Nicaraguan context.

- a minimum of 40% of each type of scholarship will be awarded to women.

- no members of economically or socially elite families will be sponsored for overseas training.

- at least 10% of all training in the U.S. (in terms of participant months of training), both short-term and long-term, will be conducted in Historically Black Colleges and Universities (HBCU).

All US training programs will include program and cultural orientation, English language training to the appropriate level, and programmed cultural and democratic experiential activities. The cultural activities for participants under the development training component will not necessarily be as extensive as the Experience America activities programmed for CLASP, but all participants will have these opportunities.

Pre-departure Orientation will be an integral part for all overseas training programs. Program orientation will be initiated in the interview stage of the selection process, when candidates are given a preliminary orientation on program objectives and procedures. After being notified of final approval for training, candidates will be given at least two days of pre-departure orientation. This orientation will review the administrative procedures and program expectations, present information about U.S. culture and institutions, discuss adjustment to life in the United States, training content and program schedules, and provide an opportunity to meet with U.S. officials to emphasize the USG role in financing the program. A pre-departure evaluation questionnaire will be administered at this time.

An important element of the predeparture orientation, especially with CLASP, is dealing with the expectations, hopes, and fears of the trainees. Particular care will be taken to assure that expectations of the program, training content, and follow-on are appropriate. Particular interests or concerns of the group will be noted and communicated to the training institution. Sensitivity training techniques, such as role-playing, writing letters to oneself, and small group discussions will be used to help participants prepare for the program. To the extent possible, the orientation program will work to foster a sense of group solidarity, collaboration, and mutual support. The participants' families will be included in some of the activities as appropriate.

The pre-departure orientation session will also provide an opportunity to make a final check on the important information about the group and the individuals attending the training. Any discrepancies between the information provided to the training institution and the reality of the group will be resolved immediately and communicated to the training institution. Key factors will be group size and composition, educational levels, technical capability, language skills, and group expectations. This will be an important point in the quality control process to assure that participants and training programs are well matched.

All U.S. academic programs will include English Language Training up to the TOEFL 500-550 level and computer literacy courses conducted in Nicaragua prior to departure. The in-country ELT will be provided through the newly formed Binational Center. English Language training in the US will be included, as needed, to top off academic participants. In addition, academic upgrading in math, science, and other basic skills will be provided as needed, either in Nicaragua or in the US.

Re-entry and Follow-on programs for all participants trained overseas will be directed toward meeting the needs of the returned participants in readjusting to Nicaragua and in utilizing their education productively. The reentry activities will include emotional and psychological preparation for the culture shock of returning home as well as efforts to re-integrate the individuals in their place of work or to secure appropriate employment. These reentry activities will seek to involve employers and supervisors through special workshops and training sessions. As with the direct training components, the re-entry and follow-on activities will be specifically planned for each group and a separate line item on the budget provided to assure adequate funds.

The follow-on program will be designed to meet the longer term needs of the diverse group of people trained under the project. The program will, as appropriate, assist in finding employment, planning and implementing community projects, strengthening operational linkages to supervisors and managers, keeping in touch with each other and with Americans, and upgrading technical skills. From the initial orientation stage through the actual training, follow-on will be integrated into the program to prepare trainees for their return to Nicaragua and their role in development. All program activities will reinforce the idea that the trainees can make a difference in Nicaragua by providing leadership in their communities and applying what they have learned to Nicaragua's development.

The appropriate programs will be designed in coordination with the participating organizations, implementing contractor, and the USAID mission. Likely activities include:

Providing employment-related assistance: possible activities include an advisory board consisting of influential and successful members of the society who can provide advice on field of study selection as well as help in getting job interviews; a list of private sector businesses, NGO's, and public sector offices where returnees' cv's can be sent; activities at which successful Nicaraguans and returnees can interact; training in resume preparation and interviewing techniques; small business development workshops; project proposal writing; and internships.

Creating a support network to encourage a common purpose among the group: possible activities could include a re-entry seminar; welcome home activities of a social nature; a follow-on office; an alumni association and directory; and a newsletter.

Providing continuing education: Activities could include provision of a technical library, a newsletter with articles by returnees on their adaptations of techniques/knowledge to Nicaraguan conditions and articles reprinted from technical journals; guest speakers including visiting U.S. professors; and continuing memberships in professional associations. Seminars and workshops addressing technical or management topics may be specially designed for returned participants and their co-workers or supervisors.

Supporting organization of community activities: Activities could include interaction with Nicaraguan service organizations; participation in national social marketing campaigns; workshops by returnees for non-AID participants; and mentor-tutoring program for young Nicaraguan students in their communities (English language, computer use, bookkeeping, etc.).

Fostering linkages with the U.S. people: Activities could include newsletter exchanges with the colleges and U.S. host families; interaction with U.S. personnel in Nicaragua; and invitations for host families to visit Nicaragua.

During implementation of the Project, USAID/Nicaragua will work with the contractor to explore the possibility of establishing follow-on activities for all U.S. sponsored participants, including those from other AID projects and other USG agencies. They will explore the feasibility of institutionalizing these activities on a sustainable basis, independent of specific financing from discrete AID projects such as DTP. The financial and organizational feasibility of this approach will be analyzed and a suitable local organization will be identified to serve as a base. The eventual objective of this approach is to reduce the financial and operational dependence of follow-on programs on training project funding.

2. CLASP II Component.

General. The Nicaragua CLASP II component will address some of the priority skill needs of Nicaragua within the context of leadership development for strengthening democratic institutions and values. This component will have the following characteristics.

- a) All CLASP II scholars will be selected on the basis of existing or potential leadership ability primarily from the subset of socially or economically disadvantaged people.
- b) To strengthen democratic pluralism and grass-roots participation, the DTP project will program exposure to democratic values and institutions into all training activities. This special emphasis will provide opportunities for Nicaraguan leaders, and through them to an even larger population, to better understand the workings of a pluralistic democracy that tolerates opposing viewpoints, and permits such institutions as a free market economy, a free press, freedom of speech and movement, and individual initiative.
- c) Every Nicaraguan Peace Scholar will benefit from a customized training program. This training, whether academic or technical, will be assessed based on its relevance to the development needs of Nicaragua and the appropriateness of the proposed training level to Nicaragua's requirements.
- d) All participants will meet the requirements of the regional CLASP II program (see Annex D), which include the following:
 - at least 70% of the Peace Scholars must be socially and/or economically disadvantaged;
 - at least 40% of all Peace Scholars must 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).

The primary target groups for CLASP component will be adults already in positions of leadership in the education sector, municipal government, and cooperatives. Many of these trainees will have pressing occupational, financial, and family responsibilities that limit their ability to attend long-term programs.

Recruitment and selection procedures will be carried out through broad-based committees from organizations that have significant involvement in the targeted fields. The composition of these committees will be determined by the chairperson of the project steering committee after consultation with steering committee members. Separate committees will be established for different sectors or target groups. Returned Nicaraguan Peace Scholars will be encouraged to be active in recruiting new candidates and assisting in orientation.

Screening will take place in a two-tiered manner -- the broad-based selection committees will use criteria established in the SIF as a starting point to identify appropriate candidates. No applicant will be screened out at this stage; rather, the committees will prioritize candidates into groups who are highly recommended, recommended, and not recommended. Careful documentation of decisions taken at these meetings will be kept by official minutes of each meeting. All applications reviewed by the recommendation committees will be forwarded to the contractor's office for screening and processing.

Screening procedures will begin with a document review to assure that the trainee meets the criteria for economic need and leadership as well as specific criteria for each target group or occupation. Candidates meeting the basic eligibility criteria will be interviewed by the contractor's office and USAID/N representatives to assess leadership traits and willingness to return to Nicaragua and work to benefit the community. Based on individual data and information gathered at the interview, USAID/ will make the final selection of trainees. Upon selection, training candidates are put into final administrative processing, which includes obtaining medical clearances, passports, and visas.

The screening and selection process will be reviewed periodically by the A.I.D. project manager to assure that the process is open and fair, is being implemented as planned, and is efficiently and effectively approving the kinds of candidates contemplated in the SIF and other planning documents.

Training Programs. All training programs will be customized to meet the needs of the trainees and to achieve the following objectives: (1) enhancement of leadership skills; (2) professional and career advancement; (3) improved understanding of the workings of a democratic and free enterprise system as it relates to the occupation of the trainees and to Nicaragua's system; (4) provision of quality contact time with individual Americans and with U.S. institutions. The training plans will be based on an assessment of needs and will be coordinated with the participants.

The development of high quality, specific training requests is an essential element in provision of participant training and will be appropriately emphasized. Detailed training requests are important for assuring program quality and for establishing an adequate document trail if problems arise. Training requests will provide all relevant information about the participants and group size, requested training, cost containment guidelines, Experience America activities, and reporting requirements. The placement contractor will prepare all such documents subject to review and approval by the AID project manager. For the first cohort of each type of group training, the training provider will make a site visit to identify specific training needs and develop training objectives for each program. All training programs will include specific activities to improve leadership awareness and capability, develop project planning and management skills (problem identification, objectives, proposal development, implementation planning, etc), and include programmed exposure to democratic values identified in the SIF.

In order to improve program quality in the U.S., the mission will attempt to continue to work through the same training institutions for repetitive groups requiring the same training. This will provide the opportunity to monitor performance more closely and make improvements based on experience. Prior to each new training group, the training institution will provide the mission with feedback from previous groups and a revised curriculum if needed.

All programs will include activities to help participants adjust to life in the U.S. and to help them prepare for the return home. Programs will include periodic activities to help participants deal with the predictable stages of adjustment and problems of homesickness, loneliness, adjustment to U.S. academic institutions, re-entry anxiety, and other stages.

Experience America. High quality Experience America programming is a priority for USAID/Nicaragua. Experience America will be individually programmed by the contractor for each group, will be an integral part of every program and will be based primarily on the professional and technical interests of the trainees rather than on tourism, sports and cultural events or shopping. While these kinds of recreational activities will be included to round out the experience, they will be supplemental rather than primary elements of the Experience America component.

The Experience America component of each training program will have specific objectives. The objectives will focus on American values, institutions, or culture of particular relevance to the group of trainees. The SIF identifies some values of importance to democratic development in Nicaragua, including the following ideas:

- equal opportunity and reward based on merit
- respect for basic political and economic rights
- majority rule and institutionalized conflict resolution
- public accountability and power checks
- access to information
- limited economic role for government
- importance of free competitive enterprises

In addition, every group will have programmed opportunities to get to know Americans, particularly those with similar occupations or interests, through homestays and internships. Host families for homestays will be selected carefully, fully briefed on the nature and objectives of the program, and provided an orientation to the cultural, historical, and socio-economic background of the trainees.

Activity One - Short term technical training. Short-term technical training will be offered to approximately 260 Nicaraguans in groups of 10-15 trainees each. The primary target groups will be the following:

- Cooperative promoters
- Cooperative managers
- Mayors and regional council members
- Primary school directors
- Normal school teachers

Each of the target groups were selected based on the SIF analysis that these occupations exercise significant influence over the actions of others in the community or association. Selection and recruitment will follow the basic procedures outlined above. Particular weight will be given to evidence of leadership capability and individual initiative in addressing community problems and balanced recommendations from several sources familiar with the candidate. The specific selection criteria described for each group in the SIF will be continually assessed and revised based on experience.

Pre-departure orientation for short-term groups is particularly important, as some members of rural communities will have limited experience with different cultures. When appropriate, the orientation will include a session for spouses and families or participants so that they will resolve some of their concerns. Similar special sessions will be provided to some other groups to enable community representatives or sponsors to attend, as appropriate.

Short-term technical training will consist of the "group training in Spanish" model used by many missions in the CAPS project. For short-term training, group size will be limited to 15 persons, except under exceptional circumstances. Group training in Spanish permits selection of trainees from the local- and community-level socially and economically disadvantaged target group without having to program for expensive English language training.

The importance of an adequate training experience cannot be overemphasized. Therefore, the training plan for each type of training will be developed based on a needs assessment conducted by the training institution in a visit to Nicaragua. The needs assessment will identify a small number of specific and concrete technologies appropriate to the level of the trainees that can be taught in the training period and that will be immediately applicable after return. The needs assessment will also assess the adequacy of the proposed training period for each group and will develop alternative training objectives for a 2-3 month short-term program and a nine month long-term program. The needs assessments will be conducted prior to the first training session for each group and will be reviewed and revised based on evaluation data.

Experience America activities for the short-term trainees will be focused on activities related to the technical content of the training, such as meeting with Americans in the same occupation, opportunities to discuss common activities and problems, and encouragement of institutional linkages whenever possible. In consideration of the very short time available in these programs, the Experience America activities will be tightly integrated into the overall technical training component. Experience America activities for each group or type of trainee will have a specific theme focused on a limited number of values or lessons about how democracy and free enterprise functions in relation to their occupation or interests. An important theme in all EA activities will be the importance of stable, systemic approaches to conflict resolution and majority rule.

The re-entry and follow-on activities for short-term participants will focus on means to apply the training in their jobs in Nicaragua. The follow-on activity may include continuing training through workshops conducted under the development training component of the Project.

Activity Cost Summary.

U.S. short-term training - 260 participants (575 person months of training).
Total program cost \$3,796,000.

Activity Two - Long term technical training. Long term technical training of 9-12 months will be offered to approximately 42 Nicaraguans in an estimated five groups of 10-15 trainees each. The primary target groups will be the following:

Primary school directors
Normal School teacher trainers
Normal school teachers

The basic recruitment and selection procedures and criteria will recognize additional factors relevant to longer term training, including the ability to be away from home for extended periods, adequate educational level to successfully attend a more intensive technical program, and the ability and position to train others.

Orientation for long term technical trainees will include a one-month survival English course in Nicaragua prior to departure and two weeks of intensive English after arrival in the U.S. In addition, a special orientation session will be held for families of participants to inform them of A.I.D. policies and procedures and to assist them with coping with family separation.

The long-term technical training will take place in teachers colleges and will include a combination of classroom instruction and informal experiences. The topics covered will include such areas as curriculum development, communication skills, teaching methodologies and techniques, evaluation of learning, and student supervision. The overall orientation of all programs will be training of trainers. All long-term training will be in Spanish but will include English as a specific course of study. Long-term technical participants will be expected to return to Nicaragua with a working knowledge of English.

The Experience America activity will include a one week orientation at the Washington International Center (WIC), a seven to ten day mid-winter seminar, and internships as counterparts in medium sized high schools.

The follow-on program for long-term technical trainees will include activities and materials specifically designed to assist returnees in applying new ideas and on continuing education. To the extent possible, the newsletter and other forums will draw on the US trainers for ideas and follow on topics.

Activity Cost Summary.

U.S. long term technical training - 42 Participants (432 person months of training). Total program cost of \$1,175,000.

Activity Three - Long term academic - Long term academic training will consist of graduate level training to be provided to university professors for faculty upgrading at the MS level. The training will be focused on a limited number of priority fields, including education, economics, business, law, and engineering. Approximately 35 individuals will attend one and two year academic programs. This component will be delayed until it is determined that the universities can effectively use the training.

Recruitment will be from all post secondary educational institutions in Nicaragua. Applications will be individual, rather than organizational nominations, and will include a brief essay. Primary selection criteria will include leadership abilities at work and in the community, academic qualifications, communications skills, and ability to successfully

complete a US graduate degree in a field important to Nicaragua's development needs and consistent with USAID/N program objectives.

Adequate predeparture preparation will be provided to assure that participants are prepared to successfully complete a US graduate degree. This will include English language training and academic remedial preparation as needed. In-country language training will be provided to bring participants up to an appropriate TOEFL for acceptance into a graduate program. All academic participants who require it will also attend basic computer literacy courses to enable the students to use micro-computers in their courses. The pre-program orientation at each stage will explicitly inform the candidates and participants about problems and procedures in transferring credits from U.S. educational institutions to Nicaraguan universities or for local recognition of degrees.

Type of Training. All academic programs will result in a Master level degree appropriate to the discipline unless justified for an exception.

Experience America. Long-term academic participants will be programmed for numerous and continuing EA activities that are relevant to and integrated into their course of studies. All long-term academic participants will attend the WIC orientation in Washington upon arrival, attend a 10 day mid-winter seminar during the winter break, have homestays with American families, and have the opportunity to live with American roommates in the dormitories. Other Experience America activities will be programmed around the participant's field of study to the degree possible.

Follow-on Program. The follow-on activities will include alumni association (if desired by the participants), continuing education through professional journals, newsletters, and seminars, and specific efforts to reintegrate the participants into their workplace and to apply their training.

Activity Cost Summary.

U.S. long term academic training - 35 participants (630 person months of training). Total program cost of \$1,805,000.

CLASP II Component Summary. An estimated total of 337 Nicaraguans will be trained in the U.S. under this component, of which 260 will attend short-term programs and 77 will attend long term programs. The total estimated cost is \$7,981,000 which includes administrative costs in the amount of \$1,205,000 (see Nicaragua Project Budget on p. 27). The following table shows the projected number of people to be trained each year.

TABLE 1. CLASP II Component
Number of participants trained per year.

<u>Activity</u>	1	2	3	4	5	6	Total
Short term technical	30	60	60	65	45	0	260
Long term technical	0	0	17	15	10	0	42
Academic	0	0	15	20	0	0	35
TOTAL	30	60	92	100	55	0	337

3. Component Two - Development Training.

General. The Development Training component will address broader HRD needs in Nicaragua by providing training opportunities targeted to a few strategic organizations and individuals with leadership abilities. Two general types of training will be provided --short-term technical and management training programs oriented to specific training needs of the key organizations and academic programs in third countries in Latin America and the US. In addition, support will be provided to meet ad hoc requests for short-term training, conferences, seminars, and observational tours in support of program objectives.

Activity One - Academic training in the U.S. The project will offer an estimated 37 academic scholarships in the U.S. at the graduate and undergraduate level. All scholarships will be for an estimated 2.5 years, including time for academic upgrading. Three undergraduate scholarships will be awarded each year to students who have completed two years of university in Nicaragua. The steering committee will consider the option of offering some scholarships to two-year colleges for specific lower level training.

All candidates will be selected through competitive recruitment and selection procedures. Scholarship opportunities will be advertised widely each year, specifying the types of training to be supported and the application procedures. The selection criteria will be developed and periodically revised by the Steering Committee. The Ministry of External Cooperation will, as the government counterpart institution, sit on the steering committee which will be chaired by the Education Development Officer of USAID. The Ministry of External Cooperation will insure that appropriate public and private sector organizations serve on the steering committee. The steering committee will represent those key organizations best suited for dealing with the development strategies of USAID and the GON. Once the steering committee is established, any meeting with a quorum present which includes the Chairperson or his designee, will have the authority to meet with executive powers. All procedures and criteria will be written and consistently applied to establish a process that is fair, and perceived to be such by all candidates. In general, the selection criteria will be oriented to finding the best candidates in terms of academic ability to successfully complete a US degree program and leadership qualities in fields critical to Nicaragua's development and consistent with USAID/N's program objectives as established

in the CDSS. The selection process will draw on multiple sources of information about each candidate, including documentation, personal references, interviews and possibly essays.

Orientation for long term academic participants will be consistent with the procedures described above, including English language training, remedial education as needed, and computer literacy courses. Again, special sessions will be held for spouses and families to improve their participation and understanding of the process, explain A.I.D. procedures and policies regarding dependent travel, and to assist families in coping with long family separation.

The academic programs will take place in four year public universities in the U.S. Placement will be determined on the basis of quality of education and relative costs. Unless compelling reasons exist for doing otherwise, participants will not be placed in universities in high cost areas such as New York, Washington DC, Boston, or Los Angeles. The areas of study offered in the scholarships will be determined by the efforts of a steering committee made up of high level representatives of the private and public sectors. Among the types of training to be provided are the following: financial analysis, information system, facilities and inventory management, general management, policy analysis, economics, education or public health, business administration, engineering, and law.

All academic participants in the U.S. will attend enrichment activities similar in nature if not in scope to the Experience America component of the CLASP II component. All participants will, at a minimum, attend a one week orientation at the Washington International Center (WIC), a seven to ten day mid-winter seminar, and have programmed opportunities to meet Americans in their field of interest. All participants whose area of study does not include management programs will attend a short-course on introduction to management practices.

The follow-on program for returned academic participants will be focused on reintegration into Nicaraguan society and in applying their knowledge either in an existing job or a new job. The possibilities of forming an alumni association will be explored and, if adequate interest exists support will be provided for this purpose. The reentry program will include keeping participants informed of what is happening in Nicaragua while they are studying, through newsletters or local newspapers, and at least one mid-program conference in which participants plan their return home and how they plan to contribute to their society. The program will seek opportunities to encourage linkages with host universities in the U.S.

Activity Cost Summary.

U.S. long term academic training - 37 participants (1,110 person months of training). Total program cost of \$2,635,000.

Activity Two - Third Country Academic Training. The Project will sponsor 70 scholarships for Nicaraguan students at regional training institutions. An estimated 30 scholarships will be provided to the Pan American Agriculture School in Zamorano, Honduras or the EARTH school in Costa Rica for undergraduate degrees in agronomy. In addition, approximately 40 scholarships will be provided for graduate training in management at INCAE and other regional management training institutions.

All candidates will be selected through competitive recruitment and selection procedures. Scholarship opportunities will be advertised each year. Applications will be received and pre-screened by a local organization to assure that all candidates meet the qualifications specified by the training institution and that documentation is complete. Then a pool of qualified applicants will be forwarded to the training institution for selection.

Orientation for third country training will be more limited than that for U.S. training, given the similarities of educational systems, common language, and other similar conditions. A one day orientation session will be held to emphasize the nature and objectives of the sponsored scholarship, to help participants begin thinking about application of the training, and to assist families in adapting to the separation.

The areas of study offered in the scholarships to INCAE and other management training institutions will be determined by the steering committee. Among the likely types of training to be provided are the following: financial analysis, information system, facilities and inventory management, general management, policy analysis and economics, international relations, and some specialized area specific training. All scholarships at the Pan American School in Zamorano will be for three year *agronomo* programs with the opportunity for remedial study prior to formal entry into the program if needed.

The follow-on program for returned academic participants will be oriented toward reintegration into Nicaraguan society and in applying their knowledge either in an existing job or a new job. As the degree of cultural adjustment will be less for this group than for those who go to the U.S., the level of activities will be reduced. The possibilities of forming an alumni association will be explored and supported if adequate interest exists. Any such association would be expected to strengthen networking and mutual support among the returned participants. The reentry program will include keeping participants informed of what is happening in Nicaragua while they are studying, through newsletters or local newspapers.

Activity Cost Summary.

Long term academic training in regional training institutions - 70 participants (1,563 person months of training). Total program cost of \$2,117,000.

Activity Three - Technical Training for Institutional Strengthening. This activity will consist of support for technical and management training programs addressing specific institutional needs of key organizations. The primary institutions assisted will be the Ministry of Finance, the General Directorate of Customs, the Ministry of Education, the Ministry of Construction and Transportation, the Central Bank, the Ministry of Agriculture, and the Municipality of Managua, the Nicaraguan Energy Institute, Telephones and Mail service, the Nicaragua Institute of Water and Sewers. An estimated 2,035 individuals will be trained over a period of six years.

The primary areas of training will be on generally applicable topics identified in the organizational needs assessments, such as public administration, management information systems and computing, inventory management, finance. In addition, some specialized topics such as inspections, bidding, and other courses will be held. While these general areas of need will serve as a basis for initial programming, it is expected that the implementing organization will work with participating ministries to more specifically identify needs and develop training plans.

The majority of the training will be provided through in-country courses conducted by Nicaraguan training institutions, such as INCAE or the universities, or specialized programs produced by other regional U.S. training institutions. Specialized training programs will require focused needs assessments by the trainers in order to tailor programs to the specific needs. Some individuals will attend courses or seminars in third countries or the U.S. when such training is not available in-country.

Technical assistance will be used to provide specialized or intensive training and to conduct specific needs assessments and training programs in target organizations.

Activity Cost Summary

Long term technical assistance -- 24 person months at a cost of \$410,000 (excluding overhead).

Short-term technical assistance -- 44 person months at a cost of approximately \$753,000 (excluding overhead).

In-country training courses -- approximately 31 two week courses with 25 persons in each course (388 person months) at a cost of approximately \$610,000 (\$600 per person in 1991 dollars)

In-country training courses -- approximately 20 four week courses with 25 persons in each course (500 person months) at a cost of approximately \$816,000 (\$1,200 per person in 1991 dollars).

Activity Four - General Program Support. This will consist of meeting ad hoc requests and targets of opportunity directly related to the overall mission program goals. Activities financed under this activity will be limited to very short term activities that are not covered in the other components. An estimated 30 individuals per year will be sponsored to attend these short term activities.

Activity Cost Summary.

Short-term seminars and observational tours US - 180 persons (approximately 90 person months) at a total program cost of \$583,000.

Development Training Component Summary. An estimated total of 2,442 Nicaraguans will be trained under this component, of which 77 will receive academic training in the U.S. and third countries and 2,155 will receive technical and management training related to institutional strengthening, and 180 will attend conferences and seminars in the U.S. and other countries. The training will be provided by U.S. universities, Nicaraguan and third country training institutions, and technical experts in specialized areas. The estimated cost of this component is \$10,962,000 (see Financial Plan and Analysis Section for illustrative budget). The following table shows the projected numbers of people to be trained each year.

**TABLE 2. Development Training Component
Number of people trained per year**

<u>Year</u> <u>Activity</u>	1	2	3	4	5	6	Total
US Academic	10	12	15	0	0	0	37
Third Country training	0	35	25	10	0	0	70
Institution Strengthening	155	710	600	420	270	0	2,155
Program support	30	30	30	30	30	30	180
Total	195	787	670	460	300	30	2,442

IV. FINANCIAL PLAN AND ANALYSIS

A. CLASP II Program Budget Summary

CLASP II is a regional program with participation from all USAID missions in the LAC region. The following table shows the projected program obligations for all participating countries at the time the CLASP II program was designed.

Table 3.
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 \$1,800	360	360	360	360	360	
Bolivia \$3,500	700	700	700	700	700	
Colombia \$3,700	740	740	740	740	740	
Costa Rica \$15,000	4,000	4,000	3,000	2,000	2,000	
Dom. Rep. \$2,628	528	525	525	525	525	
Ecuador \$5,000	1,000	1,000	1,000	1,000	1,000	
El Salvador \$28,500	8,550	8,550	5,700	2,850	2,850	
Guatemala \$37,000	7,000	7,000	8,000	8,000	7,000	
Haiti \$2,404	260	350	350	722	722	

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	\$45,328	\$47,090	\$45,240	\$40,362	\$38,962
\$216,982					

B. Nicaragua Project Budget

The total LOP cost of the Development Training Project will be \$20,000,000, all of which will be contributed by A.I.D. using grant funds from the Economic Support Fund (ESF) account. The project funds will be obligated over a five year period and disbursed over a six year period. All overseas training programs for individuals or groups will be fully funded prior to the participant leaving Nicaragua.

Table 4.
Summary Activities and Cost, by Component

Component	Numbers	% of	Cost	% of	% of
total	Trained	subtotal	\$000	subtotal	Project
<u>CLASP II</u>					
S Technical	260	77%	\$3,796	48%	
LT Technical	42	12%	\$1,175	15%	
Academic	35	10%	\$1,805	23%	
Administrative			\$1,205	15%	
Subtotal	337	100%	\$7,981	100%	40%
<u>Development Training</u>					
US Academic	37	2%	\$2,635	24%	
TCT	70	3%	\$2,117	19%	
Instit Bldg					
ST TA	1,010	41%	\$1,163	11%	
In Country	1,025	42%	\$964	9%	
ST US	120	5%	\$920	8%	
Program Support	180	7%	\$583	5%	
Administrative			\$2,580	24%	
Subtotal	2,442	100%	\$10,962	100%	55%
Eval/Monitor			\$240		1%
Contingency			\$817		4%
Total	2,779		\$20,000		100%

Table 5. Development Training Project Budget Obligations by Year

<u>Component</u>	<u>Year</u>						Total
	1	2	3	4	5	6	
<u>CLASP</u>							
Short term tech \$3,795	375	832	881	1000	707	0	
Long term tech \$1,176	0	0	473	413	290	0	
Academic \$1,806	0	0	824	982	0	0	
Administrative \$1,205	36	88	165	504	357	55	
Subtotal \$7,982	\$411	\$920	\$2,343	\$2,899	\$1,354	\$55	
<u>Développement Training</u>							
US Academic \$2,636	703	890	1043	0	0	0	
TCT \$2,116	0	1150	720	246	0	0	
Institution \$3,048	490	879	784	493	402	0	
General support \$583	87	89	94	99	104	110	
Administrative \$2,579	150	674	677	641	399	38	
Subtotal \$10,962	\$1,430	\$3,682	\$3,318	\$1,479	\$905	\$148	
Eval & audit \$240	0	50	50	50	0	90	
Contingency \$817	120	125	130	140	150	152	
TOTAL \$20,000	\$1,961	\$4,777	\$5,841	\$4,568	\$2,409	\$445	

Notes:

1. Inflation is included in all cost estimates at the rate of 7% for academic costs and 5% for all other costs per year. Costs are adjusted for inflation every 6 months
2. Detailed budget assumptions are included in the Annex E. All estimates are conservative, based on the high end of OIT range of estimated costs for U.S. training programs.

3. Administrative costs are estimated at \$600 per person month for US training, \$400 per person month for third country training, and overhead is estimated at 45% of costs for incountry training and technical assistance.

4. Included in the costs for each participant are funds to be used for follow-on activities in Nicaragua after completion of training. The total program funds, not including administrative costs, in the follow-on line item are \$411,639 over the LOP.

TABLE 6.
 Projected Expenditures by Year
 (\$000)

<u>Component</u>	<u>Year</u>						Total
	1	2	3	4	5	6	
CLASP II \$7,986	411	921	1677	2757	1918	302	
Development Training US Training \$5,024	657	887	1221	1252	877	130	
Third Country \$2,843 Training	0	927	618	852	420	26	
In Country Training \$1,398	65	276	335	352	370	0	
Technical Assistance \$1,690	186	728	611	165	0		
Eval & audit \$240	0	50	50	50	0	90	
Contingency \$817	120	125	130	140	150	152	
TOTAL \$20,000	\$1,439	\$3,914	\$4,642	\$5,568	\$3,735	\$700	

Table 7.
Estimated Foreign Exchange and Local Currency Costs

	Foreign Exchange	Local Currency (Dollar equivalent)
CLASP II Component	\$7,340,258	\$640,742
Development Training		
US Training	\$ 4,648,023	\$385,977
Third Country Training	\$ 2,639,152	\$ 39,182
In Country Training		\$1,525,333
Technical Assistance	\$ 1,724,333	
Evaluation	\$ 240,000	
Contingency	\$ 817,000	
Total	\$17,408,766	\$2,591,234

Note: The above numbers are for informational purposes. As the project will be implemented through a dollar contract to an international firm, it is expected that all AID disbursements will be in US dollars.

C. Financial Analysis

No significant financial issues exist for this project. The primary concerns to be discussed are the reasonableness of training costs, counterpart contributions, and the financial and managerial capability of the implementing institution. The administrative and financial considerations affecting the choice of contracting modes are discussed in the administrative analysis.

Training Costs. Training costs budgeted for the project are derived from the TCA budget generator using OIT estimated training costs and actual costs of specific third country training institutions. Technical assistance costs are estimated at existing USAID contracts. All estimates are conservative, so the mission expects that actual contract and training costs derived from a competitive procurement will be significantly lower than those estimated. Annual inflation rates of 7% for educational expenses and 5% for non-educational expenses are built into all estimates. In addition, a contingency factor of approximately 5% was included in the budget.

Training costs will be closely monitored using TCA project reports and reduced to the extent possible through various cost-containment measures, including competition among training institutions, tuition waivers, and negotiated package rates.

Country Counterpart.

The project will be funded entirely with ESF funds and therefore is not subject to the requirements for counterpart funding which applies to Development Assistance funds. However, it is A.I.D. policy that all international travel for participant training be financed by the host country or other non-A.I.D. funding sources. The participant training conducted under the Development Training Project will be offered to individuals, both economically disadvantaged and other non-elite individuals, as well as public or private sector organizations. A requirement that these individuals make significant financial contributions to the training, including paying for international travel, would significantly limit the number of otherwise qualified people able to participate in the project and would be counterproductive to the project objectives. The Government of Nicaragua is faced with extreme budgetary pressures and is unable to provide the travel for all participants, the majority of whom will not be public sector participants. Therefore, the Mission Director will authorize a waiver of host country funding of international travel for all participant training sponsored under this project.

Financial Capability of Implementing Institutions. The implementing institution will be an established U.S. consulting firm whose financial and managerial capability will be assessed during the contractor selection process.

D. Methods of Implementation and Financing

As shown in the chart below, all project inputs will be implemented directly by A.I.D. rather than through host country institutions.

<u>METHOD OF IMPLEMENTATION</u>	<u>METHOD OF FINANCING</u>	<u>ESTIMATED AMOUNT</u> (US\$ 000)
Training		
AID Direct Contract	Direct Payment	\$17,031
OIT Buy-in (PIO/T)	Direct Payment	\$350
PIO/P	Direct Payment	\$60
Technical Assistance		
AID Direct Contract	Direct Payment	\$1,052
AID Direct Contract (IQC)	Direct Payment	\$40
AID PSC	Direct Payment	\$410
Evaluations		
AID/W buyin	Direct Payment	\$30
AID Direct Contract	Direct Payment	\$60
Audits		
AID Direct Contract	Direct Payment	\$150

Contingency	\$817
Total	\$20,000

The above table represents the preferred implementation and financing methods to be used in the project. No assessment of the capability of the host country is necessary because all U.S. dollar financial contracts will be executed directly by USAID. Funding has been provided for any required financial audits of the contractor and subcontractors. This funding may not be needed given that the primary contract will be a direct AID contract with a U.S. firm, which will be covered by DCAA audits. However, since the project is being funded with direct supplemental ESF funds the RIG is required to audit and report on the project. The Development Training Project will provide up to \$150,000 to cover a portion of the costs of audit of all project activities. Such funds will be committed directly by AID and all audit efforts will be supervised directly by the Office of Regional Inspector General in Tegucigalpa, Honduras (RIG/A/T) in coordination with the USAID/N Controller. If these funds are not required, they will revert to the line item for contingencies.

V. IMPLEMENTATION AND EVALUATION PLAN

A. Administrative Arrangements

1. Grantee/Obligation Mechanism.

The Development Training Project will be obligated through a Project Grant Agreement with the GON's Ministry of External Cooperation. The initial obligation of \$2 million will be made from the Economic Support Fund (ESF) in late FY 1991. Subsequent obligations from ESF funds will be made over a five year period. The Project Assistance Completion Date will be August 31, 1997.

The project funds will be committed through direct A.I.D. contracts with the implementing organizations. The project will be implemented through an A.I.D. direct contract with a U.S. firm with substantial experience in providing technical assistance and placement services for participant training. It is expected that the contractor will subcontract for some in-country services, including English language training and preparatory academic training.

During the first seven months of the project, several small contracts will be used to initiate project activities while the competitive procurement for an institutional contractor is in process. The initial commitment in FY 1991 will be implemented through a buy-in to the A.I.D. central training contract managed by the Office of International Training (OIT). This buy-in, for approximately \$350,000, will be used to place several short term training groups in the U.S. In this same period, short term technical assistance will be contracted through an 8a firm or IQC to begin activities under the institutional strengthening component during this initial period. In addition, the standard PIO/P process (see Contracting Plan on p.41) may

respond to requests for attending seminars, conferences, and other very short term activities which do not require significant in-country programming. The contract for the institutional contractor will constitute the major obligation mechanism, for approximately \$17,031,000. In addition, separate contracts will be used to procure long-term technical assistance, audits and evaluations.

2. Implementation Responsibilities.

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 with respect to the CLASP II component of the DTP project:

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, 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/N will be responsible for all other aspects of project design, implementation, and evaluation within the limits of the policy guidance. The mission has full responsibility for all aspects of the development training component of the Project, which is not subject to the CLASP II program requirements. The Mission will be responsible for establishing and managing contracts for technical assistance, participant placement, and evaluation.

The Education Officer of the General Development Office, USAID/N will have overall responsibility for implementing and monitoring the project, approving payments and

training plans, approving subcontracts, and serving as spokesman for the project. The Education Officer will be the Mission representative on the Project Steering Committee.

Day to day management and oversight of the project will eventually be the responsibility of the Mission Training Officer, when this position is filled. The Training officer will coordinate with the institutional contractor and project committees on all aspects of planning and implementing the project and assure that relevant A.I.D. rules and training procedures are followed. The training officer will review all PIO/Ps, represent the mission on the selection committees, and assist in the planning and implementation of all orientation and follow-on activities. As the majority of the direct processing of participants will be completed by the contractor, the role of the training officer will be somewhat broader than is traditional in this position, with greater emphasis on planning and coordination and less on document processing.

Government of Nicaragua Responsibilities. The Government of Nicaragua's Ministry of External Cooperation will sign the Project Grant Agreement with the United States. Through this Ministry, the GON will participate in the Project by: a) serving on a Steering Committee to ensure membership of appropriate public and private sector organizations and to assist in developing and periodically revising selection criteria for project participants; b) designating a counterpart official who will serve as the contact point for project implementation issues and problems and will be principally responsible for monitoring on the GON's behalf progress toward project activities and will serve on the Steering Committee; and c) designating a representative to serve as a member of the evaluation team for a first mid-term evaluation of this project on or about August 1994, and for facilitating project implementation.

Contractor Responsibilities. A U.S. training firm will be hired to implement all phases of the Development Training Project, including recruitment, screening, selection (with USAID/N participation and approval), orientation, preparatory English and academic training, testing, preparation of documents, placement/training, participant monitoring in the U.S., evaluation, follow-on, and maintenance of the participant database using the CLASP Information System (CIS) software.

The contractor will establish a local office in Managua for all in-country activities. This office will be adequately staffed to perform, either directly or through subcontracts, all recruitment and screening of candidates, orientation and preparatory training, and preparation of all training requests or PIO/Ps and other required documentation. All training requests will be as specific as possible, with clear training objectives relevant to the needs and interests of the participants. The contractor will provide adequate counseling for participants to make informed choices and to not only participate, but to take responsibility for their own training. This office will also be responsible for performing or subcontracting for the follow-on component of the project.

The Contractor will coordinate closely with the Steering Committee and the Selection Committees and will provide all necessary logistical support for these committees. The Contractor will participate on all committees, with a non-voting role in the Steering Committee.

The Contractor is expected to subcontract with Nicaraguan entities to the extent possible in order to reduce costs and build local capability. English Language Training will be contracted through the Binational Center (BNC) that is currently being established within the limits of prudent contracting procedures and competitive prices. The contractor will determine the potential for working through firms such as EDUCREDITO and CONAPRO, which can serve as an institutional base for incountry support services, including recruitment, selection, orientation, and follow-on. At this time, the Mission recognizes that much of the organizational capability in such organizations has been eroded through a decade of inactivity. The Contractor will, with Mission approval, determine the appropriate role for such in-country organizations and determine whether any would be an appropriate base for continuing follow-on activities.

The Contractor will maintain a U.S. office responsible for placement, monitoring, orientation, participant support, reentry, and all financial and logistical support in the U.S. All U.S. placements will be made with adequate recognition of cost containment measures that do not reduce the quality of training, including placement in lower cost training institutions, negotiated tuition and fees, negotiated package training, housing in on-campus room and board to the extent possible, and other such measures. The Contractor will maintain a toll-free emergency telephone number to be able to respond quickly to participant needs.

The Contractor will arrange third country placements for long term academic training at INCAE, the Pan American Agricultural School in Zamorano, the EARTH agricultural school in Costa Rica, and other regional institutions as appropriate. The Contractor will be responsible for arranging orientation, remedial training if needed, making timely payments for all tuition and living costs, arranging transportation, monitoring program performance and participant progress, identifying and resolving problems in a timely manner, and arranging for all reentry and follow-on activities.

For in country training, the Contractor will identify training needs in coordination with the participating organizations, including contracting for needs assessments and program development as needed to meet specific organizational objectives. The Contractor will arrange for all short-term technical assistance, including identification of candidates and drafts of specific scopes of work subject to mission approval. The Contractor will identify the best sources for all in-country training, from both technical and cost perspectives, from among Nicaraguan training institutions, third country institutions, and US firms.

The Contractor will establish and maintain an adequate project monitoring system, structured around the CIS database and supplemented by on-going evaluative procedures as

needed, to enable review and revision of project activities based on experience. Among the elements to be reviewed are recruitment and selection procedures, selection criteria, role and effectiveness of the steering and selection committees, orientation activities, adequacy of training plans and placements, and adequacy of reentry-follow-on activities.

The Contractor will maintain full financial records and audit trails in accordance with generally accepted accounting procedures. All records and financial reports will be in the Training Cost Analysis (TCA) format required by OIT and will be consistent with the categories and costs in the Contractor's proposal. In addition, the Contractor will provide USAID/N with quarterly progress reports.

Host Country Committees Active participation in program direction and implementation by Nicaraguans representing the interests of the public and private sectors will be critical to project success. Participation will help develop commitment to the activity, improve identification of priority fields for training, improve candidate selection, and provide contacts for follow-on support for returned scholars.

As previously described herein, a Steering Committee will be established to develop project policies, process, and direction for the general scholarships to U.S. and regional training institutions under the development training component. To the extent possible, the Steering Committee members should represent institutional interests that are critical to development, including such organizations as the Nicaraguan Chamber of Industry (CADIN), the Nicaraguan Development Foundation (FUNDE), the private sector council (COSEP), the organization of professional associations (CONAPRO), and INDE. Appropriate representatives of the public sector will also be identified. However, while organizational representation is important, it is even more important that the individuals participating in the Steering Committee are committed to the activity and have a broad vision of social and economic development in Nicaragua. The members of the committee will serve without compensation and will, at times, have considerable demands on their time.

The recruitment, screening, and selection procedures and criteria will be structured in such a way as to balance the views and preferences of the different interests represented, so that no individual can unilaterally accept or reject any given candidate. The process of developing and revising criteria and of reviewing candidates should be characterized by free and open communication among committee members, particularly when candidates receive very different scores from different committee members.

The Steering Committee will determine the nature and number of other committees needed to implement the scholarship program. Presumably, only a few other committees would be necessary with specific responsibilities for recruitment, selection, or follow-on. The committee members will be strongly encouraged to participate in all phases of the program, including orientation sessions and reentry/follow-on activities.

The CLASP II component will not require a steering committee, as the overall focus of the project has already been determined. However, active community and/or professional participation in recruitment and selection will still be crucial in developing local acceptance and understanding of the project and for improving the selection process. Recruitment/selection committees will be established for each of the primary target areas-- education, municipal government, and cooperatives. Appropriate representatives of key organizations will be invited to participate in these committees, including from INIFOM for the municipal government training and CECOOP for the cooperatives.

Undergraduate scholarships to Zamorano will be administered by a committee consisting of a representative from Zamorano, from the agriculture office of USAID/N, and from the training office.

All organization specific training conducted under the institution strengthening activity, including short-term US training, will be planned and implemented directly with the participating organization.

All training under the general program support component, including US conferences and seminars to meet targets of opportunity, will be planned and administered by the USAID/N training office in coordination with other USAID/N technical offices. The training office will develop specific criteria for funding eligibility under this component.

B. Implementation Plan and Schedule

The initial stages of the project implementation are dependent upon hiring the implementation contractor. Given the size and complexity of this program, the prime contract will be awarded through a full and open international competition.

In order to avoid substantial delays in implementation, the mission will use the pre award period to place some short-term participants using AID/W resources and contracts, possibly conduct needs assessments for some of the technical training programs, and hire short-term technical assistance as required. In addition, if the need for long term technical assistance is indicated, contracting will be initiated and eventually implemented through a personal services contract. These pre-award activities will be implemented through local small value procurement procedures, IQC contracts, 8a contracting procedures, and the OIT central participant training contract with PIET.

The project implementation schedule is as follows:

PROJECT YEAR 1

Project Paper completed	July 25, 1991
Project Authorization	September 15, 1991
Project Agreement Signed	September 20, 1991
PIO/T for institutional contract	October 20, 1991
RFP issuance	November 1, 1991
First ST group leaves for training	October 7, 1991
Recruitment for long term academic group begins	October 10, 1991
Short term TA hired through IQC	November 1, 1991
First group of long term academic selected	November 14, 1991
Proposals for RFP due	January 5, 1992
First academic group begins ELT	January 5, 1992
Implementation contractor selected	March 5, 1992
Contractor begins work	May 5, 1992
1992-93 workplan and evaluation plan submitted	June 15, 1992
First academic group leaves	June 15, 1992
First ST CLASP group leaves	August 15, 1992
Selection for first Zamorano group	September 1, 1992

PROJECT YEAR 2

Annual report submitted	October 1, 1992
Performance and financial reports submitted	Quarterly
ST technical assistance contracted	Periodically
ST participants depart	Periodically
First LT US candidates selected	December 1, 1992
LT participants begin ELT	January 5, 1993
Follow-on planning begins	March 1, 1993
LT participants depart	June 15, 1993
1993-1994 workplan and evaluation plan submitted	June 1, 1993

PROJECT YEAR 3

Annual report submitted	October 1, 1993
Performance and financial reports	

submitted	Quarterly
ST participants depart	Periodically
LT US candidates selected	December 1, 1993
LT participants begin ELT	January 5, 1994
1994-1995 workplan and evaluation plan submitted	June 1, 1994
LT participants depart	June 15, 1994
Mid-term evaluation begins	August 1, 1994
First group of academic participants returns	August 30, 1994

PROJECT YEAR 4

Annual report submitted	October 1, 1994
Performance and financial reports submitted	Quarterly
ST participants depart	Periodically
LT US candidates selected	December 1, 1994
LT participants begin ELT	January 5, 1995
LT participants depart	June 15, 1995
1995-1996 workplan and evaluation plan submitted	June 1, 1995

PROJECT YEAR 5

Annual report submitted	October 1, 1995
Performance and financial reports submitted	Quarterly
ST participants depart	Periodically
LT US candidates selected	December 1, 1995
LT participants begin ELT	January 5, 1996
LT participants depart	June 15, 1996
1995-1996 workplan and evaluation plan submitted	June 1, 1996

PROJECT YEAR 6

Annual report submitted	October 1, 1996
Performance and financial reports submitted	Quarterly
ST participants depart	Periodically
Last LT participants return	January 15, 1997
PACD	August 30, 1997

C. Contracting Plan

The project will be implemented through a single institutional contractor who will be responsible for all incountry, third country, and US portions of the project. There is ample evidence to indicate that contractors exist which are capable of the combined management of both components. e.g. AMIDEAST's management of the \$60 million Egyptian Peace Fellows contract, the \$79.8 million cooperative agreement between Gerorgetown University and the LAC Bureau to implement the CASS program, The Academy for Educational Development's \$77.5 million training project in Pakistan etc. In addition, there are several contractors with specific experience in implementing training projects within the region. In the planned revision of USAID Handbook 10, CLASP program objectives may be incorporated as general participant training guidance, thus reducing the distinctions between CLASP and other training programs. Added to this is the continuing USAID mandate to consolidate management units to decrease the administrative burden on staff. While the granting of separate contracts to manage the two components might reduce overall administrative expenditure, evidence to support this assumption is inconclusive, and it is critical to consider the administrative burden to the mission at this juncture.

The contractor will be expected to have subcontracts for much of the incountry activity, maximizing use of local resources, strengthening the organizations as needed. The contract will be awarded using international competitive procurement procedures. The initial contract will be awarded for a three year period, with the option to renew for the remaining three years if this approach is validated by the mid-term evaluation.

<u>Position</u>	<u>Contracting Mode</u>	<u>Amount</u>
Implementation core contract TA & training	Competitive procurement AID direct contract	\$17,031,000
First year technical assistance	AID direct contract IQC, 8a, and/or PSC	\$450,000
First year short term training	AID direct contract Buy-in to OIT contractor PIO/P	\$350,000 \$60,000
Evaluations	Buy in to AID/W AID Direct contract	\$30,000 \$60,000
Audits	AID direct contract	\$150,000

D. Monitoring and Evaluation Plan

I. 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. It must be emphasized that the Project Monitoring and Evaluation Plan fully complies with the AID Evaluation Handbook, Sections 1 and 3.2 in that it provides for an information plan which identifies the data collection, monitoring, and evaluation activities to be conducted during implementation as well as the level of resources and other arrangements necessary to implement this information plan.

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:

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.

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.

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 II.
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 I.
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?

TABLE 1 (continued)

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. DTP Project Monitoring and Evaluation

Project monitoring will be the responsibility of the GDO office, specifically the Education Officer, through a number of management mechanisms, including the CIS system and reports, quarterly and annual performance and financial reports submitted by the contractor, the CLASP II process evaluation reports, site visits to U.S. and Nicaragua training facilities, and mission accounting systems. All financial reports submitted by the contractor will be in TCA format.

The contractor will be responsible for performing periodic visits to U.S., third country, and in-country training sites to interview trainees and training/education personnel to identify program strengths and weaknesses. Site reports will be submitted to A.I.D. following each such visit. In addition, the contractor will make telephone interviews midpoint in each training program to assure that participant needs are being adequately addressed. The A.I.D. project manager will be immediately notified of any serious problems

and informed of actions taken to resolve the problems. Since participants in the US will have access to a 24 hour toll-free number, the trainees will be assured of immediate access to the contractor in the event of an emergency.

At the conclusion of each training program, the trainees will complete training completion reports which will be submitted to USAID/N as interim reports. Each training institution will be required to conduct its own evaluation of the participants' progress in achieving specific course objectives and present a final report to the contractor that includes specific recommendations for improving the course. Copies of these course evaluations will be provided to USAID/N upon request. The combination of the training questionnaires completed by the trainees and the course evaluations will provide the contractor and USAID/N with information to compare the training provided by different institutions. The training officer will visit in-country remedial training or English language training sites to monitor trainee progress and satisfaction with the program and selected U.S. training institutions.

Other monitoring documents will be the annual work plans to be submitted by the contractor for USAID/N approval, quarterly and end of year reports. The U.S. training institutions will monitor students' progress and submit reports to the placement contractor who will keep A.I.D. informed of student progress and any serious problems. Monitoring information will be recorded and be the primary responsibility of the institutional contractor. All project data will be entered into the participant information system (CIS) by the institutional contractor who will then provide USAID/N with diskettes on a monthly basis.

Mission Evaluation Plan. The mission will rely on the CLASP II program process evaluation for all basic information about numbers of trainees, adherence to program requirements for target groups, gender, placement in HBCU institutions, and other such general program monitoring for the CLASP component. This process evaluation data will be used to assure that the contractor reports are accurate and appropriate.

On-going evaluation and monitoring of the overall project, including the development training component, will be conducted by the USAID/N training officer and education officer using contractor reports and the CIS data. The CIS database will be amended to track information of specific interest to USAID/Nicaragua, such as the number of participants from the Atlantic region or those formerly affiliated with the Nicaraguan Resistance.

The CLASP II standard impact evaluation will be used for general information about the adequacy of training programs, participant satisfaction with the programs, and broad measures of application of training through the surveys of all participants performed by the contractor. The reports from these surveys will be used to identify specific concerns about training groups or institutions, type of training, relative impact of training on different types of participants, and other issues. The mission will also conduct country-specific studies to address mission concerns about program effectiveness and programmatic emphasis. The studies of the CLASP participants will be financed with project funds and implemented through a buy-in to the CLASP II evaluation contractor.

The evaluation findings at all levels will be used to continually reassess the mission strategy, target groups, identified training needs and to identify strengths and weaknesses in specific training programs. Specifically, the evaluations will focus on:

- The utility of the training programs relative to Nicaragua's unique situations;
- The relevance of the recruitment and selection process in securing candidates who can utilize training effectively;
- The relevance of the orientation process in assuring the candidate's readiness for training;
- The evidence of impact on individual scholar's skills, attitudes and/or behavioral changes, including how training affected job performance;
- Improved participation of the community in socio-economic development process;
- Improved management techniques including organization, planning and evaluation;
- Sex-disaggregated data of trainees (from CIS);
- Effectiveness of follow-on program;
- Recommendations on corrective actions and/or modifications required by the project;
- Policy changes in participating and/or benefitting institutions/organizations as a result of the project; and,
- Documentation of cost containment practices.

A mid-term process evaluation, in addition to the standard CLASP II evaluation, will be separately contracted by USAID/N to review progress, management procedures, training effectiveness, and overall contractor performance. The evaluation will be a key factor in deciding whether to continue the use of a sole institutional contractor for project implementation and, if so, whether to continue with the existing contractor.

Funding has been reserved for a final project evaluation if the mission determines that such an evaluation is required. The nature of the training provided under the project and the overall focus on training individuals limits the value and potential for an impact evaluation.

Rather, if a final evaluation is considered, it will be directed toward answering specific design and management issues with a view toward designing a new project or extending the existing one.

VI. SUMMARY OF PROJECT ANALYSES

A. Social Analysis

USAID/Nicaragua completed the Social Institutional Framework for the DTP project to identify important sources of leadership in the Nicaraguan society and to focus the training on those people whose actions will have a broader impact on society. The complete SIF is available from bulk files. A summary is included below.

1. Methodology. The SIF was prepared by a US sociologist and a Nicaraguan researcher. The study drew on a limited number of existing analytical studies, including the Education Sector Assessment (1991). The views of senior mission managers were incorporated into the SIF.

2. Definitions. The key definitions used in the SIF are as follows:

-- **Leader/Leadership**: There are at least two distinct types of leadership present in Nicaragua. **Formal** leadership is associated with a position of authority to which the leader has been appointed or elected. **Informal** leaders are individuals who openly espouse ideas, opinions, or positions. Through articulation of their convictions, they are able to generate responses from others to the collective benefit of the group to which they belong.

-- **Economically Disadvantaged**: The SIF developers could not find a current formal definition of poverty levels for families of different sizes; however, for purposes of the CLASP II component of the DTP, economically disadvantaged is defined at an income level of \$300/month for single individuals and an additional \$100/month for a spouse and \$50/month for each additional dependent.

-- **Socially Disadvantaged:** The designation of socially disadvantaged for purposes of this project applies to an individual whose parents have a low level of formal educational and occupational attainment. Many of these individuals come from broken families where malnutrition is a problem. Many are female and reside in rural or marginal urban areas. The minority races of Nicaragua, typically from the Atlantic region, are also socially disadvantaged.

-- **Elites:** Elites belong to a limited number of families who have access to sources of wealth and prestige and are considered politically and/or economically elite. Political elites occupy formal leadership positions in the national government. Economic elites are currently defined as anyone from a family with an income over \$100,000/year. (However, for project purposes, this term has been defined to include all families whose combined income and net assets would reasonably allow them to provide family members with the opportunity to attend institutions of higher learning in the U.S.)

3. **Target Groups.** The SIF assessed the leadership structure in Nicaragua and concluded that an effort should be made to broaden the leadership base at the community, regional, and national levels and to expose these leaders to the workings of a pluralistic society. The SIF sought to identify key sectors and organizations that are influential in shaping actions and opinions and can have a significant spread effect. While participants can represent all socio-economic strata of society, the primary emphasis is on the socially and economically disadvantaged. Leader groups were identified based on their potential impact on youth, promotion of democratic pluralism; potential impact on the sector; and potential spread effects. The SIF proposes selection criteria to choose candidates from the key sectors who will contribute most to maximizing the success of the Project.

The general target groups for the CLASP II component will be leaders and potential leaders from education, government/democratic initiatives, private sector, health, and agriculture. The following key sectors and positions were identified in the SIF as a basis for concentrating the CLASP II Project activities:

(a) **Education:** This sector has the potential for providing Nicaraguans with skills to promote economic development, an appreciation of democratic values, and improved health and agriculture practices. During the Sandinista government, positions of authority were frequently filled with party loyalists who did not necessarily possess the technical skills for their jobs. The quality and efficiency of the education system has deteriorated. Training needs to be provided to leaders with the most significant multiplier effect. The specific occupational groups to be included in the CLASP II component of the DTP Project are:

-- **Normal School Teachers:** Regular employees of normal schools, these teachers are responsible for educating primary school teachers for the entire public school system. In addition to influencing the primary education system,

as individual citizens, they are respected members of their communities and provide leadership for community development projects.

- **Normal School In-Service Trainers:** Ministry of Education in-service trainers work directly with normal school teachers. They impact on future primary school teachers, and since they work with all the normal schools, their influence is wider than that of the normal school teachers.
- **University Professors:** Faculty members influence not only the student body at their particular university but also national and community opinions through their research and teaching. They are respected because of their education and are considered national leaders.

(b) Government and Democratic Initiatives: In government, new leadership extends from central ministries to the lowest governmental levels. The CLASP objectives focus on regional and municipal leadership.

- **Mayors:** Mayors are true leaders in the communities because they are elected government officials. They are members of the municipal councils which were elected by popular vote who were in turn elected by other council members. A long (six years) tenure ensures that the decisions they make affect all residents. They also influence national governmental decisions through their political parties and interaction with national organizations designed to serve municipal governments.
- **Regional Council Members:** These elected officials influence the community or region in which they reside in the Atlantic coast region. They organize and speak for the community, plan development projects for the region and represent their communities at the regional level and, at times, at the national level. Trainees from this region should represent the major ethnic minority groups (Miskito, Rama, Sumo, Blacks).

(c) Private Sector: The traditional private sector leadership was weakened during the period of strengthening state power. Many young potential leaders in this sector left the country. The current Sandinista-affiliated private sector leaders, however, have demonstrated initiative, adaptation, and a desire to take advantage of opportunities created by the defeat of the Sandinista government. Key training opportunities in this sector that will broaden economic participation in rural and disadvantaged areas include:

- **Cooperative Promoters:** There is some variation in the breadth of impact of the promoters. Promoters who work for FUNDE through CECOOP have a national impact because they work with cooperatives all through Nicaragua.

Other promoters work within specific cooperatives and influence the members of that cooperative and the community served by the cooperative.

- **Cooperative Managers:** The influence of cooperative managers is broad, including the members of the cooperative they manage, communities in which they reside, the national cooperative movement through their contacts with national organizations, buyers and other intermediaries in the production/marketing process.

Simply stated, the CLASP II component strategy is to identify key sectors which have the greatest potential for affecting the economic and social well-being of disadvantaged Nicaraguans, to concentrate training opportunities in a limited number of sectors so that critical masses of leaders can work together to bring about change, and to select those individuals within these key sectors and locations who have the greatest leadership potential for promoting development.

Implementation. Recruitment of candidates for the program will be the principal responsibility of the contractor, with assistance from a high level Nicaraguan advisory group and the USAID/Nicaragua General Development Office. Specific recruitment procedures and selection criteria will be developed jointly with the committee, the contractor, and the USAID representatives.

B. Administrative and Institutional

The implementation of any participant training program is highly labor intensive, and this is particularly true of one with the magnitude and complexity of the DTP project. The CLASP II component requires particularly extensive effort in selection, orientation, placement, and follow-on due to the target group of disadvantaged people. The development training component combines general scholarship training with specific training for institutional strengthening of key ministries through in-country training and technical assistance.

The key administrative/financial issue is determining the most effective and efficient means of implementing the project. Some of the first year activities will be implemented through a buy-in to the core contract with OIT for participant training, but this mechanism cannot be used for the entire project because (1) the core contract does not allow for a buy-in of this magnitude and (2) the contract terms do not allow for all of the activities planned for this project, such as third country and in-country training. More specifically, the issue is focused on those services needed for in-country support, as a U.S. placement firm will be required for the U.S. portion of the training in any case. The options for project management and administration are:

- (1) contract with an institutional contractor to provide all project services, both in-country and international. The contract might include sub-contracts with Nicaraguan

or third country organizations for in-country support services (recruitment, selection, orientation, or follow-on) and training.

(2) contract with Nicaraguan organizations directly to provide all in-country support and procure U.S. and third country placements through direct contracts with U.S. placement firms or contracts with the training institutions directly. All technical assistance would have to be contracted either directly by the USAID or through an IQC contract.

(3) hire FSN or PSC staff locally for the USAID/Nicaragua training office which would be responsible for all in-country activities. As with the other options, U.S. placement and monitoring activities would have to be contracted to an international firm and technical assistance would have to be separately contracted.

The mission has determined that the first option, working through an institutional contractor, is the only feasible option at this time. From a management viewpoint, a single contract, with subcontracts approved by USAID/N, greatly reduces the management burden on a mission that is still undermanned. A single contract has a clear focus of responsibility for achieving a successful training program overall and for each component activity. From a technical perspective, the single contract is preferable because it allows for greater communication and coordination between each stage of implementation--selection, training plans, orientation, training institution, follow-on, and evaluation. Equally important, an international contract provides an effective mechanism for upgrading and assuring the quality of support services provided by in-country organizations. A major issue about using a single contractor is cost--the mission estimates that administrative costs will be over \$3.5 million, or approximately 18% of total project costs. While this is a substantial sum, it is not unreasonable given the scope of the project. Moreover, the majority of the administrative costs relate to placement and monitoring of participants in the U.S., a cost which will be incurred in any scenario.

The second option, to contract directly with Nicaraguan organizations for in-country services, is appealing for the obvious reason that it would utilize and strengthen local capabilities. At the present time, it is unlikely that any Nicaraguan organization in this field could pass a preaward audit for a direct contract. In addition, the Mission knows of no Nicaraguan organization with the management, technical, and financial qualifications to administer a contract of this size and complexity in accordance with AID regulations and procedures. Moreover, the range of activities contemplated under the contract would require a significant number of separate contracts, thus substantially increasing the management burden on the mission. Management concerns aside, costs in Nicaragua are high compared to most developing countries, which would reduce any potential cost savings even if a capable organization could be identified.

The third approach, that of staffing a USAID/N training office adequately to conduct all in-country services, is the approach taken in several USAID missions in the region. However, in the context of Nicaragua in 1991, this approach has a number of disadvantages. Hiring local staff has proven to be a difficult and time-consuming activity in most of the USAID projects. Hiring staff for participant training is likely to be even more difficult because of the highly specialized knowledge that is needed to navigate AID training regulations. Most other USAID missions have at least one training officer with years, if not decades, of experience in this field. In Nicaragua, hiring and training a staff for the training office would be a difficult, highly management intensive, and time-consuming operation. It is unlikely that such a staff would be able to operate at an efficient level for a year or more. In addition, hiring local staff directly greatly decreases the USAID's flexibility in changing direction and reducing or increasing the scope of training. Nor does the mission have adequate office space to house a staff such as that required for this project. Finally, the cost savings expected through this approach may well be illusory. Once all of the costs of hiring local staff--salaries, benefits, overhead costs for office space, supplies, etc--are calculated, the savings would be minimal.

Therefore, from a technical, management, and financial point of view, the option of implementing this contract through a single institutional contractor is the best choice, and probably the only feasible one.

C. Economic

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 analytical focus of the cost effectiveness approach 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 means of achieving those objectives--not simply the lowest cost approach. 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 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 project level, the reasonable 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. These criteria offer the subjective advantage of requiring training personnel to review and justify the training in terms of these objectives.

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 direct. 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

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.

ANNEX A

LOGICAL FRAMEWORK

CARIBBEAN AND LATIN AMERICA SCHOLARSHIP PROGRAM (CLASP)
(598-0661, 597-0044)

Narrative Summary

Objectively Verifiable Indicators

Means of Verification

Assumptions

Program Goal

To promote the development of a functioning, stable democracy and sustainable broad-based economic and social development in Nicaragua.

STRATEGIC OBJECTIVE INDICATORS

USAID PROGRAM
MONITORING STATISTICS

A functioning democracy and free market economy will result in long term stability and growth.

Political and economic system maintains stability long enough to establish a working national commitment to the new system.

Project Purpose

To provide skilled human resources critical to democratic transition and economic recovery in Nicaragua.

CLASP II Subpurpose: To equip a broad base of leaders, potential leaders, and professionals in Nicaragua with technical skills, training, and understanding of the working of a free enterprise economy in a democratic society.

Development training sub-purpose: To reduce the deficit of essential management and technical skills in the public and private sectors.

1. Returned participants have applied new skills in their work or community
2. Returned participants effectively transfer skills and attitudes to others (leadership)
3. At least 80% of returnees achieve their rated program objectives.
4. At least 80% will be employed in their areas of expertise one year after completing US training.

CLASP II Process Evaluation
Mission project evaluation
Contractor project reports

The training and Experience America has significant impact on attitudes, skill levels, and understanding of democratic society.

Economic and social stability is maintained.

Training is viewed in a positive light by supervisors and coworkers.

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

Employers and supervisors provide support to returnees.

Economy improves and employment opportunities increase.

59

Narrative Summary

Objectively Verifiable Indicators

Means of Verification

Assumptions

OUTPUTS

1. Project Management systems established and functioning.

- 1a. Institutional contractor in place and functioning.
- 1b. Advisory committee established and used for each component
- 1c. Recruitment and selection committees established and functioning in both components.
- 1d. USAID management systems in place. All technical offices participate as appropriate in selection and briefings.
- 1e. Effective relationships and clear roles and responsibilities established between AID, contractor, and committees
- 1f. All reporting requirements are met and all budgets are submitted in TCA format.
- 1g. Project monitoring and evaluation procedures established and used to adjust program.
- 1h. Participants receive adequate monitoring and support during training.
- 1i. US training plans are submitted 6 months in advance for LT training and 3 months in advance for ST training.

Project Records

Contractor Quarterly reports
CLASP II process evaluation

69

Narrative Summary

2.1 Component 1. CLASP II

Effective training program is carried out consistent with program requirements and procedures.

Objectively Verifiable Indicators

2.1a. Approximately 260 short term and 77 long term participants successfully complete programs in the US and return to Nicaragua.

2.1b. Recruitment and selection system in place that identifies qualified candidates who are leaders and potential leaders.

2.1c. All selection meets program standards. At least 70% of Peace Scholars are from disadvantaged backgrounds and at least 40% are women.

2.1d Pre departure activities are adequate to meet participant needs, including

- placement counseling
- orientation
- testing
- remedial training

2.1e. English language training facility provides adequate training to meet TOEFL entrance requirements.

2.1f. All training plans adequately reflect both the technical and leadership needs of the participants.

2.1g. At least 20% of programs last 9 months or longer and no programs last fewer than 28 days.

2.1h. At least 10% of the total training months are in HBCU institutions.

Means of Verification

Project Records

CLASP II process evaluation

Assumptions

Narrative Summary

2.1 CLASP II continued

2.2 Component 2 Development Training

2.2A U.S. Academic training
Individuals with exceptional professional and academic qualifications will attend graduate and undergraduate training in the U.S. in priority management and technical fields.

Objectively Verifiable Indicators

2.1i All participants have Experience America activities designed and budgeted to meet specific objectives.

2.1j. Re entry program are arranged in the US and in Nicaragua that facilitate reintegration into the society and workplace.

2.1h. Follow-on programs meet the participants' needs after return and provide adequate data for evaluation.

2.2A.1. Approximately 37 individuals receive undergraduate and graduate degrees from US universities.
.2 Recruitment and selection procedures identify candidates who are academically qualified and in a position to implement and transfer technology in their organization.
.3 Follow-on programs facilitate re-entry, employment, and application of training.

Means of Verification

Project records.
CLASP II process evaluation

Project Records

Assumptions

Appropriate candidates can be found.

102

Narrative Summary

Objectively Verifiable Indicators

Means of Verification

Assumptions

2.2B Third Country Academic Training.

Scholarships provided for academic study at respected regional training institutions in agriculture and related, so that no individual can unilaterally accept or reject any given candidate. The process of developing and revising criteria and of reviewing candidates should be checked procedures established to identify qualified candidates.

Project Records

3. Appropriate pre-departure orientation and remedial training provided as needed.

2.2C. Technical training for institutional strengthening.

Short term technical and management training courses and seminars conducted in Nicaragua, third countries, and the U.S. on a variety of priority topics.

2.2c.1 Approximately 2,035 individuals from selected organizations attend short-term training in key areas, such as financial planning and organizational development.

Project records

An estimated 41 courses of approximately 2-3 weeks in length will be held.

2.2D. General Program Support.

Support provided for requests for very short term training activities in support of program objectives.

2.2D.1 An estimated 180 individuals attend conferences, seminars, and observational tours in the US and third countries.

INPUTS

Scholarships
Technical Assistance

\$20,000,000

63

Annex B. Standard Checklist

ANNEX B: Statutory Checklist

Listed below are statutory criteria applicable to the assistance resources themselves, rather than to the eligibility of a country to receive assistance. This section is divided into three parts. Part A includes criteria applicable to both Development Assistance and Economic Support Fund resources. Part B includes criteria applicable only to Development Assistance resources. Part C includes criteria applicable only to Economic Support Funds.

CROSS REFERENCE: IS COUNTRY CHECKLIST UP TO DATE?

A. CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS

1. Host Country Development Efforts (FAA Sec. 601(a)): Information and conclusions on whether assistance 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.

2. U.S. Private Trade and Investment (FAA Sec. 601(b)): Information and conclusions on how assistance 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).

3. Congressional Notification

a. General requirement (FY 1991 Appropriations Act Secs. 523 and 591; 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 (unless the notification requirement has been waived because of

a) Training provided to both the public and private sectors under the projects components will in time result in increased production of both traditional and non-traditional exports, b) The Project's goal is to promote the development of a functioning, stable democracy and sustainable broad-based the economic and social development in Nicaragua. The Project will provide skilled human resources which will foster private initiative and competition, c) Training provided under the project's components will focus in part or providing assistance to cooperatives and financial institutions, d) N/A, e) Training provided both in-country and in the US will improve technical efficiency of industry, agriculture and commerce, f) training for cooperatives may result in strengthening labor unions.

The Project's training components will result in the introduction of US technology. These efforts will result in the increase of US Exports of machinery and other commodities.

Notification was sent to Congress on 7/16/91. That notification expired without objection on 8/15/91.

substantial risk to human health or welfare)?

b. Notice of new account obligation (FY 1991 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

c. Cash transfers and nonproject sector assistance (FY 1991 Appropriations Act Sec. 575(b) (3)): If funds are to be made available in the form of cash transfer or nonproject sector assistance, has the Congressional notice included a detailed description of how the funds will be used, with a discussion of U.S. interests to be served and a description of any economic policy reforms to be promoted?

N/A

4. Engineering and Financial Plans (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?

Yes.

5. Legislative Action (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

6. Water Resources (FAA Sec. 611(b); FY 1991 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

7. Cash Transfer and Sector Assistance (FY 1991 Appropriations Act Sec. 575(b)): will cash transfer or nonproject sector assistance be maintained in a separate account and not commingled with other funds (unless such requirements are waived by Congressional notice for nonproject

N/A

sector assistance)?

8. Capital Assistance (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

9. Multiple Country Objectives (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.

See Item A.1 above

10. U.S. Private Trade (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).

See Item A.2 above.

11. Local Currencies

a. Recipient Contributions (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.

N/A

b. U.S.-Owned Currency (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?

N/A

c. Separate Account (FY 1991 Appropriations Act Sec. 575). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies:

N/A

(1) Has A.I.D. (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

N/A

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 A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?

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

(3) Has A.I.D. take all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes? N/A

(4) 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? N/A

12. Trade Restrictions

a. Surplus Commodities (FY 1991 Appropriations Act Sec. 521(a)): 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

b. Textiles (Lautenberg Amendment) (FY 1991 Appropriations Act Sec. 521 (c)): Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S. - made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, N/A

flat goods (such as wallets or coin purser worn on the person), work gloves or leather wearing apparel?

13. Tropical Forests (FY 1991 Appropriations Act Sec. 533 (c) (3)): Will funds be used for any program, project or activity which would (a) result in any significant loss of tropical forests, or (b) involve industrial timber extraction in primary tropical forest areas? N/A

14. Sahel Accounting (PAA Sec. 121 (d)): If a Sahel project, has a determination been made that the host government has an adequate systems for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)? N/A

15. PVO Assistance

a. Auditing and registration (FY 1991 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 auditing requirements of A.I.D., and is the PVO registered with L.I.D.? N/A

b. Funding sources (FY 1991 Appropriations Act, Title II, under heading "Private and Voluntary Organizations"): 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. Project Agreement Documentation (State Authorization Sec. 139 (as interpreted by conference report)): Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision). N/A

17. Metric System (Omnibus Trade and Competitiveness Act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and Yes

as implemented through A.I.D. policy): Does the assistance activity use the metric system of measurement in its procurement, 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 A.I.D. 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?

18. Women in Development (FY 1991 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. The Project requires that at least 40% of all peace scholars must be female.

19. Regional and Multilateral Assistance (FAA Sec. 209): Is assistance more efficiently and effectively provided through regional or multilateral organizations? If so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs.

No

20. Abortions (FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 525):

N/A

a. Will assistance 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

b. Will any funds be used to lobby for abortion?

No

21. Cooperatives (FAA Sec. 111): will assistance help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life?

Training is contemplated for cooperative managers in accordance with recommendations contained in the project's Social and Institutional Framework Analysis (SIF).

22. U.S.-Owned Foreign Currencies

a. Use of currencies (FAA Secs. 612(b), 636(h); FY 1991 Appropriations Act Secs. 507, 509): Describe steps taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services. N/A

b. Release of currencies (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? N/A

23. Procurement

a. Small business (FAA Sec. 602(a)): Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? N/A

b. U.S. procurement (FAA Sec. 604(a)): Will all procurement be from the U.S. except as otherwise determined by the President or determined under delegation from him? No. US or Central American Common Market or Nicaragua

c. Marine insurance (FAA Sec. 604(d)): If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? N/A

d. Non-U.S. agricultural procurement (FAA Sec. 604(e)): If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) N/A

e. Construction or engineering services (FAA Sec. 604(g)): Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international N/A

markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.)

f. Cargo preference shipping (FAA Sec. 603): Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates?

N/A

g. Technical assistance (FAA Sec. 621(a)): If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

Yes. Technical assistance will be obtained from a U.S. private for profit firm.

h. U.S. air carriers (International Air Transportation Fair Competitive Practices Act, 1974): If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available?

Yes.

i. Termination for convenience of U.S. Government (FY 1991 Appropriations Act Sec. 504): If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?

Yes.

j. Consulting services (FY 1991 Appropriations Act Sec. 524): If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)?

Yes

k. Metric conversion (Omnibus Trade and Competitiveness Act of 1988, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and

Yes

as implemented through A.I.D. policy):
 Does the assistance program use the metric system of measurement in its procurement, 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 A.I.D. 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?

1. Competitive Selection Procedures (FAA Sec. 601(e)): Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes.

24. Construction

a. Capital project (FAA Sec. 601(d)): If capital (e.g., construction) project, will U.S. engineering and professional services be used? N/A

b. Construction contract (FAA Sec. 611(c)): If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N/A

c. Large projects, congressional approval (FAA Sec. 620(k)): If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the Congressional Presentation), or does assistance have the express approval of Congress? N/A

25. U.S. Audit Rights (FAA Sec. 301(d)): If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A

26. Communist Assistance (FAA Sec. 620(h)). Do arrangements exist to insure that United States foreign aid is not used in a Yes.

manner which, contrary to the best interest of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries?

27. Narcotics

a. Cash reimbursements (FAA Sec. 483): Will arrangements preclude use of financing to make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? Yes.

b. Assistance to narcotics traffickers (FAA Sec. 487): Will arrangements take "all reasonable steps" to preclude use of financing to or through individuals or entities which we know or have reason to believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance? Yes.

28. Expropriation and Land Reform (FAA Sec. 620(g)): Will assistance preclude use of financing to compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? N/A

29. Police and Prisons (FAA Sec. 660): Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? No

30. CIA Activities (FAA Sec. 662): Will assistance preclude use of financing for CIA activities? Yes

31. Motor Vehicles (FAA Sec. 636(1)): Will assistance preclude use of financing for purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? N/A

32. Military Personnel (FY 1991 Appropriations Act Sec. 503): Will assistance preclude use of financing to pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? Yes

33. Payment of U.N. Assessments (FY 1991 Appropriations Act Sec. 505): Will assistance preclude use of financing to pay U.N. assessments, arrearage or dues? Yes.
34. Multilateral Organization Lending (FY 1991 Appropriations Act Sec. 506): Will assistance preclude use of financing to carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? Yes
35. Export of Nuclear Resources (FY 1991 Appropriations Act Sec. 510): Will assistance preclude use of financing to finance the export of nuclear equipment, fuel, or technology? Yes
36. Repression of Population (FY 1991 Appropriations Act Sec. 511): Will assistance preclude use of financing for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes
37. Publicity or Propaganda (FY 1991 Appropriations Act Sec. 516): Will assistance be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? No
38. Marine Insurance (FY 1991 Appropriations Act Sec. 563): Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate? Yes
39. Exchange for Prohibited Act (FY 1991 Appropriations Act Sec. 569): Will any assistance be provided to any foreign government (including any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law? No

C. CRITERIA APPLICABLE TO ECONOMIC SUPPORT FUNDS ONLY

1. Economic and Political stability (FAA Sec. 531(a)): Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA? Yes
2. Military Purposes (FAA Sec. 531(e)): Will this assistance be used for military or paramilitary purposes? No
3. Commodity Grants/Separate Accounts (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? N/A
4. Generation and Use of Local Currencies (FAA Sec. 531(d)): Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so, will at least 50 percent of such local currencies be available to support activities consistent with the objectives of FAA sections 103 through 106? No
5. Cash Transfer Requirements (FY 1991 appropriations Act, Title II, under heading "Economic Support Fund," and Sec. 575(b)). If assistance is in the form of a cash transfer:
- a. Separate account: Are all such cash payments to be maintained by the country in a separate account and not to be commingled with any other funds? N/A
- b. Local currencies: Will all local currencies that may be generated with funds provided as a cash transfer to such a country also be deposited in a special account, and has A.I.D. entered into an agreement with that government setting forth the amount of the local currencies to be generated, the terms and conditions under which they are to be used, and the responsibilities of A.I.D. and that government to monitor and account for deposits and disbursements? N/A
- c. U.S. Government use of local currencies: Will all such local currencies also be used in accordance with FAA Section 609, which requires such local currencies to be made available to the U.S. government as the U.S. determines N/A

necessary for the requirements of the U.S. Government, and which requires the remainder to be used for programs agreed to by the U.S. Government to carry out the purposes for which new funds authorized by the FAA would themselves be available?

d. Congressional notice: Has Congress received prior notification providing in detail how the funds will be used, including the U.S. interests that will be served by the assistance, and, as appropriate, the economic policy reforms that will be promoted by the cash transfer assistance?

Yes

11'

Annex C. PID Guidance

UNCLASSIFIED

STATE 098408

TICN: AID INFO: AMB DCY ECON

CZCMUC493

27-MAR-91

TOR: 23:39

RUEFMU

CN: 30455

RUEEC #0428 0862235

CHRG: AID

IP UUUUD ZZE

LIST: AID

272234Z MAR 91

ADD:

SECSTATE WASETC

AMEMBASSY MANAGUA PRIORITY 6046

CLAS STATE 098408

IDAC FOR JCLOUTIER

NO. 12356: N/A

AGS:

SUBJECT: NEW PROJECT DESCRIPTION FOR DEVELOPMENT TRAINING PROJECT (524-0319)

See Trng Project file

ON MARCH 12, 1991, RELEVANT LAC STAFF REVIEWED THE PD FOR THE MISSION'S PROPOSED DEVELOPMENT TRAINING PROJECT. THIS CABLE PROVIDES GUIDANCE TO THE MISSION WITH RESPECT TO FURTHER DEVELOPMENT OF THE PROJECT. SINCE THIS PROJECT WILL REQUIRE A SOCIAL INSTITUTIONAL FRAMEWORK (SIF), THE SIF WILL BE APPROVED IN WASHINGTON. SUBJECT TO THE APPROVAL OF THE SIF, THE MISSION IS AUTHORIZED TO MOVE DIRECTLY TO THE PD AND APPROVE THAT DOCUMENT IN THE FIELD.

GENERAL COMMENTS:

THE BUREAU STRONGLY SUPPORTS MISSION EFFORTS TO DEVELOP THIS PROJECT. LAC WILL EXPEDITE THE SIF REVIEW PROCESS AS MUCH AS POSSIBLE IN ORDER TO FACILITATE TIMELY PROJECT PAPER DEVELOPMENT AND FIELD APPROVAL.

SOCIAL INSTITUTIONAL FRAMEWORK DEVELOPMENT:

THE SIF DESIGN SHOULD ADDRESS THE DEVELOPMENT OF ALL COMPONENTS OF THE PROPOSED PROJECT. THE SIF NEEDS TO DISCUSS THE TRAINING MODES THAT WILL BE UTILIZED. THE NPD NOTES THAT IN ADDITION TO U.S. TRAINING THE MISSION PLANS TO USE LOCAL AND THIRD COUNTRY INSTITUTIONS IN THE GENERAL TRAINING COMPONENT AND REGIONAL INSTITUTIONS IN A POSSIBLE MERIT SCHOLARSHIP COMPONENT IN ORDER TO CONTAIN COSTS AND INCREASE SKILLS TRANSFER. DURING PROJECT DESIGN THE MISSION IS ASKED TO CLOSELY EVALUATE THE BENEFITS OF LOCAL AND THIRD COUNTRY TRAINING OPPORTUNITIES, RECOGNIZING THAT THE OVERALL STRATEGY IS TO SUPPORT DEMOCRACY AND A SOUND FREE MARKET ECONOMY IN NICARAGUA. WE ASSUME THAT SUCH TRAINING WILL BE IN COUNTRIES AND WITH INSTITUTIONS DIRECTLY SUPPORTIVE OF THIS OVERALL OBJECTIVE.

B) THE REVIEW RAISED A CONCERN ABOUT WHETHER PROPOSED LEVELS OF FINANCING UNDER THIS PROJECT WILL BE SUFFICIENT TO ADDRESS THE MAGNITUDE OF THE HUMAN

Date	Initials	Info
4/1/91		
D		
DC		
LA		
EA		
GPP		
LCU		
ENU		
CU		
...		
PDI	/	
ARU		
Handling File		/
Cliron		/

Due Date: 4/5/91
 Action Taken:
 Initials:

SOURCE CONSTRAINT IN NICARAGUA. THE SIF AND PP SHOULD EVALUATE THIS ISSUE AND CONSIDER ALTERNATIVES WHERE APPROPRIATE.

CIASP COMPONENT:

SINCE THE CIASP COMPONENT IS MODEST IN SIZE, IT SHOULD BE MAINTAINED AT THE U.S. DOLS 9 MILLION LEVEL EXCLUSIVE OF ADMINISTRATIVE COSTS AS A MINIMUM FOR THE LOP.

NATIONAL MERIT SCHOLARSHIP PROGRAM:

IF THE EVENT THE PP DESIGN INCLUDES A NATIONAL MERIT SCHOLARSHIP COMPONENT, THIS ACTIVITY SHOULD BE FUNDED OUT OF THE GENERAL TRAINING COMPONENT RATHER THAN THE CIASP COMPONENT.

PROJECT MANAGEMENT:

A REVIEW RAISED THE CONCERN THAT THE INCLUSION OF A NATIONAL MERIT SCHOLARSHIP PROGRAM IN THE PROJECT COULD BE RATHER LABOR INTENSIVE AND CAUSE OVERALL PROJECT MANAGEMENT COSTS TO INCREASE. AS THIS WOULD MEAN LESS TRAINING ACCOMPLISHED, THE PROJECT DESIGN SHOULD CLOSELY EVALUATE THE IMPACT OF INCLUDING SUCH A PROGRAM ON THE PROJECT.

SIF AND PROJECT PAPER DEVELOPMENT:

WE UNDERSTAND THE MISSION WILL UTILIZE THE EFFORTS OF THE PROJECT TO FINANCE PROJECT DESIGN SERVICES OF CONSULTANT JOHN GILLIES IN SUPPORT OF SIF AND PP DEVELOPMENT.

THE MISSION SHOULD FORWARD THE SIF TO LAC/DR/EHR FOR A REVIEW. AID/W REVIEW PROCESS WILL BE COMPLETED WITHIN TWO WEEKS OF RECEIPT OF THE DOCUMENT. BAKER

1
2428

JNN

UNCLASSIFIED STATE 09940E

Annex D. CLASP II Program Description and Rationale

CLASP II is a regional program currently 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 sub-project 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 Peace Scholar training of host country nationals in U.S. educational and training institutions.

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 America and Caribbean countries can be traced to historical development patterns and the prevailing social, political and economic policies and institutions. Limited access to opportunity for the poor majority is an important factor in the social and political insatibility of the region. This is often a result of short sighted leadership that fails to see the relationship between a pluralistic society, free enterprise, opportunities for all citizens and economic growth.

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 of and mechanisms of democratic pluralism, volunteerism, equal opportunity, the free enterprise system, a free press and respect for human rights.

CLASP II training will provide academic and technical skill development programs for leaders and potential leaders. All training will take place in the U.S. and will include Experience America components.

Annex E. Detailed Project Budget Tables

Development Training Project
Initial Training Plan and Obligation Schedule

Component	Year 1		Year 2		Year 3		Year 4		Year 5		Year 6		Total	
	#	\$000	#	\$000	#	\$000	#	\$000	#	\$000	#	\$000	#	\$000 pm

CLASP II														
ST Tech.	30	375	60	832	60	881	65	1000	45	707		260	3796	575
LT Tech			0	0	17	473	15	413	10	290		42	1176	432
Academic					15	824	20	982	0	0		35	1805	630
Administrative	30		88			165								

ect and would be counterproductive to the project objectives. The Government of Nicaragua is faced with extreme budgetary press), and INDE. Appropriate representatives of the public sector will also be identified. However, while organizational representation is important, it is even more important that the individuals participating in the Steering Committee are committed to the activity and have a broad vision of social and economic development in Nicaragua. The members of the committee will serve without compensation and will, at times, have considerable demands on their time.

The recruitment, screening, and selection procedures and criteria will be structured in such a way as to balance the views and preferences of the different interests rep 30 94 30 99 30 104 30 110 180 583 60

Admin - US	72		136		237	260		168	0	23		896			
Admin/overhe	78		538		439	382		231		15		1684			
Subtotal	185	727	785	3495	667	3164	475	2523	300	905	30	1-8	2442	10963	4576
Evaluation/Audit	0		50		50	50		0		90		240			
Contingency	120		125		130	140		150		152		817	6213		
TOTAL	1961		4778		5840	4568		2408		4445	2779	20000			

23

TABLE - Project Numbers by year

Activity	Year						total
	1	2	3	4	5	6	
CLASP II							
Shrt term Tech	30	60	60	65	45	0	260
Long term Tech	0	0	17	15	10	0	42
Academic	0	0	15	20	0	0	35
TOTAL	30	60	92	100	55	0	337
Development Training							
US Academic	10	12	15	0	0	0	37
TCT	0	35	25	10	0	0	70
Institution	155	710	600	420	270	0	2155
General support	30	30	30	30	30	30	180
Total	195	787	670	460	300	30	2442

TABLE CLASP Budget
Obligations by Year and Activity

Activity	Year						total
	1	2	3	4	5	6	
CLASP							
Short term Tech	375	832	881	1000	707	0	\$3,795
Long term Tech	0	0	473	413	290	0	\$1,176
Academic	0	0	824	982	0	0	\$1,806
Administrative	36	88	165	504	357	55	\$1,204
Subtotal	\$411	\$920	\$2,343	\$2,899	\$1,354	\$55	\$7,982
Development Training							
US Academic	703	890	1043	0	0	0	\$2,636
TCT	0	1150	720	246	0	0	\$2,116
Institution	490	879	784	493	402	0	\$3,048
General support	87	89	94	99	104	110	\$583
Administrative	150	674	677	641	399	38	\$2,579
Subtotal	\$1,430	\$3,682	\$3,318	\$1,479	\$905	\$148	\$10,962
Eval & audit	0	50	50	50	0	90	\$240
Contingency	120	125	130	140	150	152	\$917
TOTAL	\$1,961	\$4,777	\$5,841	\$4,568	\$2,409	\$445	\$20,000

84

TABLE CLASP Budget
 Projected Expenditures by Year
 (\$000)

Component	Year						total
	1	2	3	4	5	6	
CLASP II	411	921	1677	2757	1918	302	\$7,986
Development Training							
US Training	657	887	1221	1252	877	130	\$5,024
Third Country Tra	0	927	618	852	420	26	\$2,843
In Country Trng	65	276	335	352	370	0	\$1,398
Technical Assistance	186	728	611	165	0		\$1,690
Eval & audit	0	50	50	50	0	90	\$240
Contingency	120	125	130	140	150	152	\$817
TOTAL	\$1,439	\$3,914	\$4,642	\$5,568	\$3,735	\$700	\$20,000

95

Summary Table

Component	Numbers Trained	% of subtotal	Cost \$000	% of subtotal	% of total Project
CLASP II					
ST Technical	260		77%	\$3,796	48%
LT Technical	42		12%	\$1,176	15%
Academic	35		10%	\$1,805	23%
Administrative				\$1,204	15%
Subtotal	337	100%		\$7,981	100%
40%					
Dev. Training					
US Academic	37		2%	\$2,635	24%
TCT	70		3%	\$2,117	19%
Insttit Bldg					
ST TA	1010		41%	\$1,163	11%
In Country	1025		42%	\$964	9%
ST US	120		5%	\$920	8%
Program Support	180		7%	\$583	5%
5%					
Administrative				\$2,580	24%
Subtotal	2442	100%		\$10,963	100%
55%					
Eval/Monitor				\$240	1%
Contingency				\$817	4%
4%					
Total	2779			\$20,000	100%

Summary Table by Input

Input	Person Months of Training	Total Cost (\$000)
Training		
US Technical	1,259	\$6,474
US Academic	1,740	\$4,440
Third Country Academic	1,563	\$2,117
In Country	713	\$964
Administrative/overhead		\$3,785
Technical Assistance	1,010	\$1,163
Evaluation/audit		\$240
Contingency		\$817
Total	6,285	\$20,000

Summary Table by Training Cost Element

<u>CLASP II</u>	Number of Participants	Total Cost (\$000)	% of Subtotal	% of Component Proj	% of Total
U.S Academic					
Tuition	35	439	24%		
Allowances	35	922	51%		
Travel	35	76	4%		
Insurance	35	28	2%		
Supplemental	35	339	19%		
Total		1805	100%	23%	
US Technical					
Tuition	302	1830	37%		
Allowances	296	2015	41%		
Travel	296	540	11%		
Insurance	296	44	1%		
Supplemental	296	542	11%		
Total		4970	100%	62%	
Administrative US		1205		15%	
TOTAL CLASP		7981		100%	40%
<u>Development Training</u>					
U.S Academic					
Tuition	37	664	25%		
Allowances	37	1314	50%		
Travel	37	93	4%		
Insurance	37	40	2%		
Supplemental	37	525	20%		
Total		2635	100%	52%	
US Technical					
Tuition	300	412	28%		
Allowances	300	563	38%		
Travel	300	414	28%		
Insurance	300	13	1%		
Supplemental	300	90	6%		
Total		1493	100%	30%	
Administrative US		896		18%	
TOTAL US	337	5024		100%	25%
Third Country Training					
Package Program		1947	68%		
Allowances (misc)		70	2%		
Travel		30	1%		
Insurance		0	0%		
Supplemental (followon)		69	2%		
Subtotal		2117	74%		
Administrative Third Country		727	26%		
Total Third Country		2843	100%		
In Country Training	1025	964			
Technical Assistance	1010	1163			
Overhead		957			
Total Development Training Component		\$10,963		55%	
Evaluation/audit		240		1%	
Contingency		817		4%	
Project Total	2779	\$20,000		100%	

Detailed Budget Assumptions

General

All budget assumptions are based on OIT estimated costs and standard allowances established in Handbook 10. Budget assumptions for tuition and maintenance costs are drawn from the higher end of the range of potential costs, thus providing an allowance for placement at a range of schools. It is expected that cost containment measures, including negotiated tuition payments, will bring in project costs below these estimates.

English Language training is budgeted at \$4 per person hour of training at the Binational Center in Nicaragua. Long term academic participants are budgeted for 6 months of training, long term technical participants are expected to attend one month or less, and short term participants are expected to attend 2-3 weeks of survival English. One-third of the long-term academic participants are expected to require per diem for the period during which they are attending ELT classes. All long term academic participants are expected to take an additional 2 months of intensive ELT after arriving in the US.

Administrative fees for all US training, academic and technical, is expected to average \$600 per person month. This assumes that US placement and monitoring costs will be approximately \$250 per person month and that in country support costs will be approximately \$350 per person month. Administrative fees for third country training is estimated at \$400 per person month, recognizing the relatively less effort required.

All participants who spend more than one month in the U.S. are expected to attend the Washington International Center orientation program or a similar orientation provided by the training institution.

Funds are reserved in each participant's budget for follow-on activities. These funds will not be included in PIO/Ps, but rather will be directly transferred to the follow-on line item of the contract. The total amount reserved for follow-on programs, exclusive of administrative costs, is \$411,639.

Inflation is included in all program costs at an average rate of 7% per year for academic and training costs and 5% per year for other costs.

All standard OIT allowances are applied to each category of participant. These allowances, and the other standard costs applied to the specific budgets for this project, are as follows:

Maintenance Advance	\$1,950
Per diem	\$65/day
Living allowance	\$850/month
Books	
Academic	\$60/month
Technical	\$60
Book Shipment	
Academic	\$120
Technical	\$60
International Travel	\$1,200
Insurance (HAC)	\$34/month
Reception Services	\$75
Washington Intl Center	\$325
Prof. Society membership	\$225 for long term participants
Mid Winter seminars	\$350 for long term participants
Taxes (academic only)	\$1,200/year
Follow-on	
Long term	\$1,000
Short term	\$500

82

CLASP II

Short Term Technical training.

205 people are planned for 2 month short term training programs in the US. The budgets are as follows:

Program fee	\$5,000
Allowances	\$4,080
Travel	\$1,500
Insurance	\$68
Supplementary	\$1,225
Total	\$11,793

55 people are planned for 3 month short term training programs in the US. The budgets are as follows:

Program fee	\$5,000
Allowances	\$5,840
Travel	\$1,500
Insurance	\$102
Supplementary	\$1,225
Total	\$13,667

Long term Technical Training.

42 people are planned for long term technical training in the US. This training is expected to take place in public schools, primarily 2 year colleges, to include classroom training and internships in local schools. The budget is as follows:

Tuition	\$4,000
Allowances	\$13,540
Travel	\$1,700
Insurance	\$408
Supplementary	\$3,300
Total	\$22,948

Long Term Academic

35 people are planned to attend academic programs, with an average length of stay in the US of 18 months. These programs will be in four year public universities. The budget is as follows:

Tuition	\$9,000
Allowances	\$19,330
Travel	\$1,800
Insurance	\$612
Supplementary	\$12,400
Total	\$43,142

Development Training

US Academic

The academic training under this component is expected to consist of graduate and undergraduate programs with an average length of 2.5 years in the US. Some of this time will be spent on intensive ELT in the U.S. and academic upgrading. Approximately 6 months of ELT will be taken in Nicaragua prior to leaving and an additional 2 months of ELT will be taken in the US. An estimated 1/3 of the students will require per diem at \$40/day. The undergraduate programs will consist of the final two years for outstanding students already in Nicaraguan universities. All participants are expected to attend four year public colleges. The estimated budget is as follows:

Tuition	\$17,500	(\$3,500/semester)
Allowances	29,280	
Travel	\$2,200	
Insurance	\$918	
Supplementary	\$14,400	
Total	\$64,298	

Third Country Training

The third country training will consist of 30 individuals attending 3 year undergraduate programs in agronomy at the Pan American Agricultural School in Zamorano or the EARTH school in Costa Rica, and 40 individuals attending 1 year masters programs in business or economics at INCAE. The estimated budget is as follows:

INCAE

Tuition (packaged program)	\$10,000/year
Allowances	\$690
Travel	\$400
Insurance	0
Supplementary.	\$900
Total	\$11,990

Zamorano

Tuition (package)	39,600 (13,200/year)
Allowances	570
Travel	400
Insurance	
Supplementary	750
Total	41,320

Institutional Strengthening

This component consists of in country, third country, and US training for employees of selected organizations.

In country training. This will consist of in country courses conducted by Nicaraguan organizations or US or third country training organizations. The courses will be aimed at the employees of key organizations. The budget was estimated as follows:

2 week courses with average attendance of 25 people in each course. The cost per participant is \$600. The first year, 3 courses will be held, in the second year four will be held. In all other years, six courses will be held per year.

4 week courses with average attendance of 25 people at \$1200 per person. In the first no four week course will be conducted. In the all other years, 4 courses will be held each year.

Technical Assistance. The technical assistance will be for both classroom and on the job training. Approximately 40 months of technical assistance will be available for targeted organizations for in country training courses, needs assessments, and program development.

Short term US training. An estimated 120 people from the target organizations will attend short courses and workshops in the US and third countries averaging one month long. The estimated budget is as follows:

Program fee	\$2,000
Allowance	\$1,950
Travel	\$1,200
Insurance	\$34
Supplementary	\$575

Total

Program Support

Program support consists of responding to requests to attend seminars, workshops, observational tours, etc. An estimated 180 individuals will attend programs with an average duration of 2 weeks. The budget for the observational tours is as follows:

Program cost	\$350
Allowance	\$1,095
Travel	\$1,200
Supplementary	0
Insurance	\$34

Total

ANNEX F. INITIAL ENVIRONMENTAL EXAMINATION

(5) ACTION: AID-2 INFO: AMB DCM ECON

VZCZCUC916
RR RUEBMD
DE RUEHC #9702 2270754
ZNR UUUUU ZZH
R 150751Z AUG 91
FM SECSTATE WASHDC
TO RUEBMD/AMEMBASSY MANAGUA 7962
INFO RUEHGT/AMEMBASSY GUATEMALA 3639
BT
UNCLAS STATE 269702

15-AUG-91 TOR: 12:36
CN: 49396
CHRG: AID
DIST: AID
ADD:

PPI

① r

AIDAC MANAGUA FOR R. OWENS, GUATEMALA FOR ROCAF FOR

E.O. 12356: N/A

TAGS:

SUBJECT: ENVIRONMENTAL THRESHOLD DECISIONS FOR
USAID/NICARAGUA DEVELOPMENT TRAINING PROJECT (5240319)
AND PRIVATE SECTOR SUPPORT PROJECT (524-0317)

W. WILLIAMS, REA/CEN

1. LAC DEPUTY CHIEF ENVIRONMENTAL OFFICER, J. WILSON, HAS REVIEWED AND HEREBY APPROVES MISSION REQUEST FOR CATEGORICAL EXCLUSION FOR DEVELOPMENT TRAINING PROJECT AND CATEGORICAL EXCLUSION/DEFERRED NEGATIVE DETERMINATION FOR PRIVATE SECTOR SUPPORT PROJECT.

2. FOR DIRECT, CUSTOMIZED TECHNICAL ASSISTANCE TO SELECTED NICARAGUAN FIRMS UNDER USAID/NICARAGUA PRIVATE SECTOR SUPPORT PROJECT, NEGATIVE DETERMINATION IS SUBJECT TO CONDITION THAT PROCEDURES WILL BE DEVELOPED FOR, AND INCLUDED IN, THE CONTRACT WITH THE U.S. FIRM THAT WILL MANAGE THIS ASSISTANCE TO ENSURE THAT THESE ACTIVITIES WILL NOT HAVE A SIGNIFICANT NEGATIVE EFFECT ON THE ENVIRONMENT. THESE ENVIRONMENTAL REVIEW PROCEDURES WILL STIPULATE THAT ALL PROPOSALS FOR SUCH ASSISTANCE MUST RECEIVE AN ENVIRONMENTAL REVIEW THAT EVALUATES THE PARTICULAR SITE SPECIFIC CIRCUMSTANCES OF EACH ACTIVITY, THAT MITIGATION MEASURES ADDRESSING ANY ENVIRONMENTAL CONCERNS ARISING FROM THE REVIEW OF EACH PROPOSED ACTIVITY BE DEVELOPED AND IMPLEMENTED, AND THAT A PROCESS WILL BE DEVELOPED FOR ESTABLISHING ACCOUNTABILITY AND FOR EVALUATING THE SUCCESS IN IMPLEMENTING PROPER ENVIRONMENTAL PROCEDURES UNDER ALL SUCH CUSTOMIZED ASSISTANCE ACTIVITIES. GIVEN THE NATURE OF THE ASSISTANCE ACTIVITIES PROPOSED, THERE SHOULD BE NO SIGNIFICANT HARMFUL EFFECTS ON THE ENVIRONMENT IF THE PROCEDURES TO BE DEVELOPED ARE FOLLOWED.

	Date Received	Act.	Info
D	8/15/91		
DD			/
LA			/
EA			/
PEPS			/
GOO			/
EO			/
CU			/
FIN			/
PUI			/
And			/
Heading			/
Chron			/

4. PROJECT EVALUATIONS FOR THE PRIVATE SECTOR SUPPORT PROJECT WILL INCLUDE A SECTION ANALYZING PROJECT IMPACTS ON THE ENVIRONMENT AND THE SUCCESS OF THE ABOVE MITIGATIONS IN LIMITING SUCH IMPACTS.

5. IFF NUMBERS FOR ABOVE PROJECT ARE AS FOLLOWS:
IACIFF-91-73 FOR THE DEVELOPMENT TRAINING PROJECT, AND

Due Date:
Action Taken:
Initials:

UNCLASSIFIED STATE 269702

93

Agency for International Development
Washington, D.C. 20523

LAC-IEE-91-73

ENVIRONMENTAL THRESHOLD DECISION

Project Location : Nicaragua
Project Title : Development Training Project
Project Number : 524-0318
Funding : \$20 million
Life of Project : 7 Years (FY 91-97)
IEE Prepared by : Richard L. Owens
USAID/Nicaragua
Recommended Threshold Decision : Categorical Exclusion
Bureau Threshold Decision : Concur with Recommendation
Comments : None
Copy to : Janet C. Ballantyne, Director
USAID/Nicaragua
Copy to : John Cloutier, USAID/Nicaragua
Copy to : Richard Owens, USAID/Nicaragua
Copy to : Wayne Williams, REA/CEN
Copy to : Mark Silverman, LAC/DR/CEN
Copy to : IEE File

John O. Wilson Date AUG 14 1991
John O. Wilson
Deputy Chief Environmental Officer
Bureau for Latin America
and the Caribbean

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
USAID/ Managua
APO Miami 34021-3240



AGENCIA INTERNACIONAL PARA EL DESARROLLO
Pista Sub Urbana
Apartado Postal C-167, Managua
ZP 13

INITIAL ENVIRONMENTAL EXAMINATION

Project Location : Nicaragua
Project Title : Development Training Project
Project Number : 524-0318
Funding : \$20 million
Life of Project : 7 Years
IEE Prepared by : Richard L. Owens 
USAID/Nicaragua

RECOMMENDED THRESHOLD DECISION

A. Project Description:

The Development Training Project (DTP) is a broad based training project which consists of components to provide in-country, third country, and U.S. training as well as training in the form of short-term technical assistance. Training opportunities will include short and long-term technical training as well as academic training. The DTP will provide skilled human resources critical for the democratic transition and economic recovery of Nicaragua and consists of two components. The CLASP II component is part of the regional CLASP Program, and all training under this component will be in the U.S. The Development Training Component will provide long-term academic training in the U.S. and regional institutions and short-term technical and management training, largely in Nicaragua. Both components together are projected to provide over 4,000 training opportunities over the life of the project.

B. RECOMMENDATION:

The project qualifies for a Categorical Exclusion under 22 CFR 216.2 (c) (2) (i), "Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc)".

15

Based on the fact that activities financed under this project will not directly affect the environment, it is recommended that no further environmental study be undertaken for this project, and that a "Categorical Exclusion" be approved.

Concurrence: Janet C. Ballantyne
Janet C. Ballantyne
Director

Date: July 26, 1991


Drafted: PDIS: DLieberman: abz: 7/23/91

Clearance:

JCloutier: PDIS: 7/27/24
ROWens: ARDO: [initials]
LAyalde: GDO: 7/27/25
JWilliams: GDO: [initials]
KSchofield: DD: [initials]

Annex G. Letter of Request for Assistance

ANNEX H

Draft Waiver for International Travel of Participants

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
USAID, Managua
APO Mail 34021 1040



AGENCIA INTERNACIONAL PARA EL DESARROLLO
Pista Suburbana
Apartado Postal 0157, Managua
ZP 12

DRAFT ACTION MEMORANDUM TO THE MISSION DIRECTOR August 23, 1991

FROM: David A. Lieberman, PDIS
THROUGH: John Cloutier, Chief, PDIS
SUBJECT: Waiver of Host Country Funding for International Travel for Participant Training under the Development Training Project (524-0318)

PROBLEM: Your approval is needed to waive the requirement that the Government of Nicaragua fund international travel costs under the Development Training Project (524-0318).

DISCUSSION: The Development Training Project will be funded entirely with ESF funds and therefore is not subject to requirements for counterpart funding which applies to Development Assistance funds. However, it is A.I.D. policy that all international travel for participant training be financed by the host country or other non-A.I.D. funding sources. The participant training conducted under the Development Training Project will be offered to individuals, both economically disadvantaged and other non-elite individuals, as well as public or private sector organizations. A requirement that these individuals make significant financial contributions to the training, including paying for international travel, would significantly limit the number of otherwise qualified people able to participate in the Project and would be counterproductive to the Project objectives. With respect to the host government, the GON is faced with extreme budgetary pressures and is unable to fund travel costs of all participants, the majority of whom will not be public sector participants.

Clearly, based on the preceding discussion, ample justification exists to waive the requirement for funding of international travel costs by either program participants (i.e. other non-A.I.D. funding sources) or the GON.

AUTHORITY: A.I.D. Handbook 10, Section 3C, specifies that "A.I.D. mission directors have the authority which may not be re delegated to waive part or all of the requirement that the host country pay the international travel of participants."

RECOMMENDATION: That, by signing below, you approve waiver of the requirement that the Government of Nicaragua pay the cost of

100