

**CHILE  
ACTION PLAN  
FY 1993-1994**

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## SECTION I. SELECTION OF AND RATIONALE FOR AID/CHILE OBJECTIVES

### A. Overview of Environment for Development

A.I.D. re-established a presence in Chile in 1988 to help promote the U.S. foreign policy objective of encouraging the country's return to democracy. Since the election of Patricio Aylwin in December of 1989, the principal U.S. concerns have evolved to: (1) support the consolidation of Chile's democratic transition and the development of democratic institutions; and (2) reinforce Chile's free market economic model through the full implementation of the Enterprise for the Americas Initiative (EAI). AID/Chile's two strategic objectives, described in B below, closely track these priority U.S. foreign policy interests in Chile.

In March, 1992 the Aylwin administration completed the first two years of a four year transitional term. The government's alliance of center-left political parties is successfully maintaining Chile's export-led growth policies, achieving a six percent expansion of GDP in 1991, a falling inflation rate, a healthy balance of payments and a historically low unemployment level. At the same time, it is addressing the legacy of human rights abuses of the former regime, civil-military tensions, and has increased programs in the social sectors of education, health, and housing.

The next major step in Chile's transition to a full democracy will be the election of municipal governments in mid-1992, after some two decades without local level popular elections. The new city councils and mayors will have a four year term beginning in September 1992. In December, 1993, Presidential and Congressional elections will take place. Aylwin is unlikely to be a candidate for re-election. The incoming President will begin a full eight year term, unless the Constitution is amended, in March, 1994.

Even though 1992 will be largely a political year with the election of new municipal governments, the Aylwin administration has set out an ambitious agenda for its final two years of transition. Chief among these priorities is to move Chile further into the forefront of President Bush's Enterprise of the Americas Initiative (EAI) by successfully negotiating the free trade agreement with the U.S. Once such an agreement on trade and investment is concluded, Chile will be participating in all three pillars of the EAI. (Chile was the first country to sign an EAI debt reduction agreement and to obtain an IDB investment sector loan; a framework agreement for an environmental fund was signed in February, 1992). The GOC views the trade and investment incentives of EAI as crucial for the continuing modernization of its private sector. The development of Chile's export sector to date has been based largely on natural resources and primary products (e.g., copper, wood, fruit, fish). EAI offers an

opportunity for the private sector to produce higher value added goods and other products that will use higher levels of technology.

Other GOC priorities during this period include:

- (a) Implementing investment sector reforms to increase private sector participation in activities normally carried out by the State (private sector financing, construction and operation of public infrastructure, joint ventures between private firms and the State copper company for new exploitations, and modification of low income home finance mechanisms to attract private capital).
- (b) Launching an environmental initiative (including new legislation, adoption of environmental impact assessment requirements, and an environmental institutional strengthening loan from World Bank).
- (c) Assisting micro-enterprise and small and medium industry (large firms will be provided incentives by EAI and Chile's favorable export policies).
- (d) Implementing judicial reform (largely centering on the composition of and appointments to the Supreme Court, but with implications for a judicial training system).
- (e) Increasing responsibilities and capacities of local and regional governments.
- (f) Continuing reforms in social programs in education, health and housing to improve their outreach and effectiveness.
- (g) Building consensus for constitutional and legislative reforms concerning the military, Congress, the electoral system and presidential term in office.
- (h) Passing and implementing comprehensive narcotics control legislation.

## **B. Strategic Objectives**

### **1. Objective One: Responsiveness of Key Institutions to Citizens Needs Increased.**

#### **a. Selection and Rationale**

This objective is focused on selected public institutions that are key to the political process and that were weakened during the military government. Achievement of this objective will contribute directly to the first priority of the U.S. Mission in Chile concerning support for the country's democratic transition and its democratic institutions. Consistent with LAC Bureau experience, and drawing on Embassy and A.I.D. assessments

of Chile's needs, the specific areas selected for assistance are civic education, legislative process, administration of justice, and local government. Progress toward this strategic objective is being measured through surveys of the perception of citizens about the responsiveness of the legislature, the judiciary, local governments and electoral process in general. Such surveys will be carried out as part of on-going or planned activities.

The underlying assumption of this strategic objective is that favorable popular perception about the working of the institutions of governance will reinforce the permanency of a democratic, pluralistic form of government. Strategic objective one falls within LAC Bureau objective II - Support the Evolution of Stable Participatory Democratic Societies.

#### **b. Implementation**

Through existing programs, AID/Chile will continue its involvement in strengthening and modernization of the court system, modernization of the legislative process, and promotion of broader citizen involvement in the democratic process through electoral participation and civic education. New activities in decentralization and municipal government strengthening will be added in 1993.

The first output in pursuit of objective one is: Judicial Function and Access to Justice Improved. Through a direct grant, AID/Chile is working with an NGO, the Corporacion de Promocion Universitaria (CPU), to improve the preparation and effectiveness of judges and the management and administrative efficiency of the judicial system, while simultaneously expanding access of the system to the poor by fortifying legal aid groups, organizing them into a national network, and establishing a new legal technical support center to train providers, conduct research, and assure that experiences are shared with a particular emphasis on legal problems of low income women. Alternative dispute resolution methods will be expanded, both as part of the judicial process and in other settings.

The second output in pursuit of this objective is: Congressional Analytic Capacity and Access to Consultative Services Improved. The MDC program in Chile is strengthening the country's only university-based non-partisan research, training and consultation facility established to serve the development needs of the members, staffs and committees of the recently re-constituted Chilean Congress. This activity is being carried out under an AID/Chile managed, LAC/DI financed cooperative agreement with the Office of International Programs of the State University of New York (SUNY/OIP), via a sub-agreement with Catholic University of Valparaiso to support the Center for Legislative Assistance and Studies (CEAL). CEAL is improving the general competence level of staffers in bill drafting, legal analysis and the legislative process, as well as the analysis of legislative proposals by the legislators themselves. Although there were start-up problems and staff turnover problems that

continued into 1991, project services have been impressive and a capable new management team was appointed in October, 1991. Nevertheless, because of these initial delays, this activity now faces time and funding constraints in consolidating full services to the Congress within the current LOP. Moreover, AID/Chile's assessment is that a substantive SUNY/OIP relationship with UCV/CEAL must continue beyond the March 1994 Congressional turnover in order to achieve this output satisfactorily.

The third program output, Participation in Electoral and Political Process Improved, is being pursued through support for PARTICIPA, the principal non-partisan NGO working for these ends. This new entity was established under AID/Chile guidance through earlier LAC/DI financing through the Inter-American Institute of Human Rights (IIHR) and its elections center (CAPEL). PARTICIPA supports efforts to increase registered voters, especially among young Chileans who have recently reached voting age. Increased involvement in politics and participation in government of these new voters and also of Chilean women is expected to have impact, both on the electoral outcome and on the public perceptions of democracy. Impact of the program for this output is being tracked by periodic surveys commissioned by the grantee.

A fourth output, Effectiveness of Targeted Regional and Municipal Governments is Improved, is being addressed, albeit in a fragmented fashion, through existing program elements. (The \$10 million primary health care grant is improving the effectiveness of municipally managed health clinics and posts; the \$40 million Housing Guaranty has urban sanitation and revitalization components that will be channelled through selected municipalities; the micro-enterprise programs work closely with municipalities; CEAL and PARTICIPA both address questions of local governance; CPU's efforts to improve legal aid will help make the social services departments of municipalities more effective; and the vocational education pilot demonstrations will bring greater participation of the private sector in technical high schools managed at the local level). A specific activity is planned, however, in order to focus on: (a) demonstrating improved municipal management techniques; (b) building public-private sector cooperation at the local and regional level; and (c) reinforcing central government actions to decentralize decision making to the regional and local level. Towards these ends, preliminary efforts have been carried out with RHUDO/SA, IULA, and USIS, but a satisfactory implementing mechanism has not yet been decided upon.

**2. Objective Two: Support Selected Investment and Environmental Objectives of EAI.**

**a. Selection and Rationale**

EAI is a top priority of the Chile country team and A.I.D. can play a supporting role in several ways. First, based on the experience emerging from the US/Mexico North American free trade

agreement efforts, environmental concerns could complicate passage of a trade accord between the U.S. and Chile. An active A.I.D. presence in environmental matters could help resolve concerns and implement or monitor environmental initiatives agreed upon as a result of negotiations. Second, an important measure of the success of the trade and investment aspects of EAI will be if the real wage rate increases in Chile, (i.e., whether the increased economic activity results in increased well-being). Increases in wages can only be sustained if labor productivity increases. In turn, a productive labor force will attract more private investment under the EAI. Although the Chile program currently lacks the resources to bring about measurable impact on labor productivity per se, it can contribute by promoting greater awareness on the part of Chilean authorities, business leaders, labor representatives, and education institutions concerning the need to strengthen Chilean efforts to increase labor productivity. Third, AID/Chile can complement the investment sector reform pillar of EAI that has been assigned to the IDB and help shape the uses for these resources in a way that better reflects A.I.D. priorities and programs and, therefore, increases their effectiveness.

The principal assumption regarding this strategic objective is that EAI will go forward as planned. If so, the importance of this objective is underscored since Chile will be the preeminent example of market-led democratic development under EAI. As mentioned above, Chile can be the only country in the near term future that actively participates in all three pillars of EAI: (1) a free trade and investment agreement with the U.S.; (2) investment sector reforms; and (3) official debt reduction/environmental fund. Accordingly, it is crucial for the long term success of EAI in the hemisphere that the Chile experience over the next several years be judged by Chile and other Latin American countries as a successful development approach. Strategic objective two responds directly to LAC Bureau objective I - Support the Achievement of Broadly-based, Sustainable Economic Growth.

#### **b. Implementation**

The first program output under this objective is: Institutional Infrastructure Necessary for Environmental Protection Established. A cluster of activities will be carried out under on-going and future projects. Existing MDC portfolio components under this output are: (1) buy-ins to the R&D Cooperative Agreement with World Resources Institute (WRI) for environmental planning and management; (2) a PASA with the U.S. Environmental Protection Agency (EPA) for short-term technical assistance; (3) a cooperative agreement with AIFLD to train agricultural workers in Chile's intensive fruit producing regions in the safe handling of pesticides; and (4) a component under a Housing Guaranty activity to test prototype cost recovery approaches to urban environment/sanitation investments. The first two projects are directed at improving the institutional capacity of CONAMA, Chile's national commission on the environment. Among

other things, assistance has focused on developing Environmental Impact Assessment (EIA) methodology. The latter two projects are important for their demonstration effect since there are no other donors active in these areas.

The specific activities listed in Table 2.2 reflect principally the achievements anticipated under these on-going projects. However, during FY 93/94 AID/Chile will be assessing the possibilities for developing new mechanisms. The emphasis of new efforts will focus on pollution control, natural resources economics and, possibly, resources conservation as the areas of weakness most likely to arise during discussions/debates on a free trade agreement with Chile. R&D's Environmental Pollution Prevention Program (EP3), the Environment and Natural Resources Policy and Training Program (EPAT), and the Energy Training Program (ETP), all represent potential new mechanisms.

The principal constraint is the immensity of the task, given the absolute absence of interest in environmental policy, planning, and enforcement during almost two decades of military rule. A.I.D. resources will have to be used judiciously in order to fill gaps and priority needs. Accordingly, AID/Chile will follow closely the development of IBRD's environmental institutional strengthening loan and the environmental components of new IDB loans to assure that any new A.I.D. activities adequately coordinated with such efforts. Similarly, AID/Chile will collaborate and coordinate with the start-up of the EAI environmental fund as well as environmental initiatives pursued by Peace Corps under the SPA.

The second program output of objective two is: Awareness of the Importance of Labor Productivity Increased. As with the environment output, the activities listed in the table reflect principal achievements expected under on-going projects. The currently active portfolio components related to this output are: (1) Human Resources Management Improvement, directed at promoting people-oriented management styles among Chilean businesses and on labor productivity research (Catholic University); (2) Vocational Training, comprised of a grant to the Center for Investigation and Development of Education (CIDE), the short-term Jefferson Scholarships program in vocational education, and a training support grant to the Binational Center; and (3) labor training under the regional AIFLD grant and the centrally funded OIT/USDOL training program. The focus of these on-going activities is on bringing about collaborative business-labor relationships and on greater involvement of the business community in the quality and relevance of vocational education and skills training.

At this time, no new activities for this output have been designed. One possibility that will be investigated during FY93 is assistance to a joint effort between the Ministry of Economy and the private sector's Confederation of Production and Commerce to establish an award program that provides public recognition of firms demonstrating high quality management (akin to the USDOC

Malcolm Baldrige award on total quality management). Other needs in this area, such as retraining of workers in industries disrupted by new trade arrangements, may be identified as trade negotiations progress.

The third program output of objective two is: GOC Policies Promote Private Sector Financing of Social Interest Housing. This output is the principal purpose of the \$40 million Housing Guarantee authorized in FY91 and supported through grant funded technical assistance. The policy and regulatory reforms being pursued under this program are very similar to the types of reforms being promoted in other sections under EAI as part of the IDB \$150 million investment sector reform loan. Once the HG is fully implemented, private sector mortgage finance companies will be accessing Chile's private capital market for long term debt to finance low income home mortgages. By identifying this output as a specific contribution towards achieving objective two, AID/Chile intends to bring the HG program into the GOC - donor dialogue on investment sector reforms. AID/Chile's expectations would be that any financial and even technical assistance that might be recommended as a follow-on effort to the HG program could be carried on by the IDB. This will require support of the LAC and PRE/H offices in AID/W in dealing with IDB as well as AID/Chile and RHUDO/SA policy dialogue with the appropriate Chilean authorities and the local offices of IDB.

The fourth program output for objective two is: Multilateral Investment Fund (MIF) Implementation Priorities Influenced. The MIF was recently established, but not funded, in a donor agreement signed February 11, 1992. It will complement the EAI investment sector reform loans managed by IDB by providing:

1. Technical assistance to identify and implement policy changes needed to transform the climate for investment in recipient economies;
2. Human resources support for retraining displaced workers and to strengthen the productive capacities of the work force; and,
3. Enterprise development support to provide market-based financing and technical help for small enterprise, including micro-enterprise.

Chile will be both a donor to and a recipient of the MIF. The large amount of resources potentially available through the MIF and the possibility of creating efficient procedures to work with the private sector emphasizes the importance that an active MIF presence in Chile can have to the successful implementation of EAI. Moreover, given the delays in U.S. funding for the MIF, A.I.D. can act as a bridge in the near term (FY92/93) to assure successful implementation of the investment sector reforms planned under the \$150 million IDB EAI loan signed in 1991. Existing centrally and regionally funded projects in privatization, economic policy implementation and capital markets could be the

source of highly specialized short-term technical assistance now urgently needed by the Chilean Ministry of Finance as a result of MIF implementation delays.

In a similar manner, the Ministry of Public Works has requested A.I.D. assistance to establish linkages with regional planning experts in U.S. universities to help implement policy reforms required by the IDB investment sector reform loan. These reforms involve transferring to the private sector the responsibility for financing, construction and operation of elements of public infrastructure. Follow-on assistance could be provided by MIF resources once the mechanism becomes operative.

Also, by being an aggressive interlocutor, AID/Chile clearly could influence the priorities of MIF operations in Chile in ways that would enhance its effectiveness. For example, AID/Chile's successful micro-enterprise activities are establishing the basis for large scale expansion with IDB financing from MIF as well as its regular resources. AID/Chile proposes continued support to the Chilean affiliates of Accion International and Women's World Banking to extend their operations to Chile's most important urban centers outside of Santiago thereby building the absorptive capacity for follow-on IDB and MIF assistance. Additionally, the vocational education program is building a national consensus on improvements needed in Chile's technical education system. The studies and pilot experiences being carried out can lead to the formulation of future requests to MIF for implementation of policy reforms in vocational education and skills training.

### **3. Summary Tables**

During AID/Chile's strategic planning exercise, a new Table 1 format was developed to reflect better the reality of an MDC program. The format attempts to illustrate the tasks necessary to get a management information system (MIS) started. The measurement of progress towards the democratic initiatives objective, for example, will be based on survey results. AID/Chile plans to draw principally on the evaluation surveys being carried out by PARTICIPA. Technical assistance has been requested from the PRISM project to help define the need for supplementing surveys by CPU or CEAL.

### **4. Other Activities**

Supporting the full implementation of EAI is a groundbreaking activity for A.I.D., requiring new approaches and mechanisms. Sticky issues will certainly arise during EAI trade and investment consultations. Some of the issues will likely fall outside of the four program outputs currently identified under strategic objective two. Yet, based on the Mexico experience, the availability of limited A.I.D. resources on a timely basis to address such needs can be very useful. Accordingly, AID/Chile anticipates that Program Development and Support (PD&S) funds should be made available in FY93 and 94 to respond to short-term

needs outside its program output areas. Such funds would be used for diagnostic studies, international travel of experts, public information events, etc.

The most significant activity outside the MDC program's two strategic objectives is a Congressionally mandated \$10 million primary health care improvement grant, which was increased by \$800,000 in FY 91/92. The grant is being implemented through the non-project sector assistance mode, which alleviates somewhat the technical monitoring responsibilities. TDY assistance is used to help review the GOC's performance against programmatic targets. The dollars made available under the grant will be fully disbursed into a separate local currency account by December 31, 1992. The local currency will be fully drawn down before the end of 1993. Under the terms of the agreement, A.I.D. is not required to track the local currency utilization.

Two other on-going activities outside AID/Chile's strategic objectives also require management and administrative time: (1) the Program in Science and Technology Cooperation (PSTC) funded by the R&D/R; and (2) third-country training in Chile financed by other A.I.D. Missions and the Regional LAC ATIE program for economic training. A potential new activity during FY93/94 in this same category could come about if Chilean institutions are included in future university linkages grants. Similarly, there is potential R&D interest in using Chile to field test education policy and planning models. AID/Chile plans to continue supporting these activities administratively because they directly contribute towards the cross-cutting concern to promote resumption of Chile's traditional role as a center of excellence in education and technical assistance for the LAC region. (Activities such as micro-enterprise, legislative assistance, court administration, etc. also have potential to serve as useful models and sources of technical assistance for the other A.I.D. Missions in Latin America). AID/Chile plans to reduce demands on staff time required by the PSTC program by completing the effort in 1992 to automate the principal financial management tasks. Also, capacity for third-country training support is being developed within the Binational Center in order to alleviate the amount of support needed from AID/Chile.

Centrally funded family planning and AIDS research also fall into the other activity category. Family planning involves the provision of contraceptives and institutional support under the IPPF matching grant as well as research under the programs with Georgetown University and Family Health International. AID/Chile is working with consultants from the POP office to develop a phase out program for the public sector contraceptives. The research activities in family planning and AIDS are not an administrative burden and, consistent with the cross-cutting concerns mentioned above, should be continued. AID/Chile understands that the IPPF institutional support to its local affiliate is being reappraised under the matching grant in order to improve its effectiveness.

## SECTION II. PROGRAM PERFORMANCE

Since re-establishing the A.I.D. office in Chile, the MDC program has contributed significantly to the LAC Bureau's Objective II - Support the Evolution of Stable, Democratic Societies. During 1991, projects in civic and voter education, legislative training and support, and administration of justice became fully operational. Excluding the Congressionally mandated activities in health and housing, the three democratic initiatives projects, totalling \$7.8 LOP, constitute the largest and most important component of the portfolio.

The civic and voter education project with PARTICIPA was signed April 11, 1991 as a follow-on to earlier LAC/DI regionally funded efforts channelled through the Interamerican Institute for Human Rights based in Costa Rica. With no start-up delays, the program immediately continued with efforts to: increase public awareness of civic issues and government process; encourage electoral and political participation, particularly among youth and women; and return formal civic education to the high schools after a nearly 20 year hiatus. To date, a detailed baseline survey on citizen attitudes on democracy in Chile has been completed (evaluation surveys will be made annually), a campaign for registering new voters for the 1992 municipal elections carried out, and high school textbooks written and accepted by the Ministry of Education.

In 1991 the Legislative Studies and Assistance Center (CEAL) overcame troublesome start-up difficulties and now appears to be on track after several changes in key staff. Despite these difficulties, CEAL's performance has been notable. Nearly 400 congressional staffers and 154 media representatives have been trained. A two volume analytic series on the Chilean constitution that was prepared, published, and distributed to all legislators has received wide recognition. In response to Congressional requests, some 25 legislative reports have been produced and software for analyzing budget proposals to Congress has been developed. Three Congressional staffers are currently in U.S. graduate level training at SUNY and two CEAL staff are receiving masters degrees from SUNY. A mid-course evaluation is scheduled for May, 1992, financed under the project.

The administration of justice project was signed at the end of FY 91 to train judicial personnel, disseminate updated legal information, improve court system administration, and improve access to legal assistance by the poor, all in support of a major GOC justice reform effort. This project is a follow-on to an earlier LAC/DI funded AOJ pilot effort that was successfully implemented by the same local NGO, the Corporacion de Promocion Universitaria (CPU). The earlier effort was audited in 1991 with no major negative findings. All recommendations have been resolved. Because of the earlier pilot experience, CPU has been able to move through the start-up phase quickly. Seminars have

been held on judicial in-service training and technical assistance is being provided in court administration, decentralization, planning and automated case management. A plan will be developed by mid 1992 for an interim evaluation to take place during the last half of 1993. If the delay in obligation of the FY92 funding increment experienced during the first half of the year continues, however, the implementation pace will be threatened.

Funding has also been an impediment to achieving AID/Chile's target of initiating a municipal strengthening and decentralization project. During 1991, AID/Chile tested the feasibility of establishing linkages between the International Union of Local Authorities (IULA) based in Quito and a local NGO, CORCHILE, which acts as a federation of regional, nonprofit development corporations. Due in part to CORCHILE's lack of institutional capacity and to IULA's focus on municipal administration, AID/Chile concluded at the end of 1991 that the proposed relationship would not be viable. Other options with these and other entities, e.g., ICMA, have not been pursued because of OYB reductions. Nevertheless, AID/Chile has drawn on other resources to help support its interest in this area. AID/Chile helped arrange a USIS International Visitors grant to fund the travel of six GOC officials to observe municipal management approaches in the U.S. during January and February, 1992. This was followed by a RHUDO/SA financed international seminar in Vina del Mar in early March, 1992 to discuss the staffing needs of modern municipalities. Spanish speaking city managers from the U.S. participated in the event and further increased Chile's interest in U.S. approaches to local public administration.

Progress towards meeting LAC Bureau Objective I - Support the Achievement of Broadly Based Sustainable Economic Growth - was pursued principally through two clusters of activities.

The first group of activities fall within LAC Sub-objective B - Encourage a vigorous response by the private sector to a favorable environment policy. Two micro-enterprise programs have mobilized involvement, support and participation from the established business community. They have demonstrated the feasibility of lending to the micro-enterprise sector at unsubsidized interest rates and have directly contributed to a public and private sector involvement in this sector. The Accion International affiliate, PROPESA, has been active since 1988 and has extended 3,800 loans worth over \$2.5 million, exceeding program targets. In-kind and cash contributions from the business community alone total \$450,000 to date, already in excess of the \$370,000 in A.I.D. seed capital. An evaluation of PROPESA's impact was begun with outside technical assistance in 1991. The results will be published in 1992. Assistance to the local affiliate of Women's World Banking, FINAM, was arranged through a buy-in to the PPC/WID GENESYS project. Throughout much of 1991 FINAM struggled with the start-up process. With GENESYS technical assistance, a major restructuring plan was carried out in late

1991; FINAM now has solidified its institutional base. The pilot rotating credit fund has proven successful with some 100 beneficiaries with a delinquency rate of only 3.4 percent.

In addition, a vocational education program is being carried out through three separate but closely coordinated activities. A direct grant to a Chilean NGO, the Center for Investigation and Development of Education (CIDE), is directed at policy dialogue and analysis of Chilean technical education system, including pilot interventions, all with an emphasis bringing about more collaborative relationships between the business community, educators, and public officials. As a result of efforts during 1991, the level of attention being given to technical education on the part of business, labor and education officials - as well as dialogue between these sectors - has increased notably. A companion activity is the grant to the Chilean-U.S. Binational Center (BNC) to administer the short term Jefferson Scholarship program for vocational educators, planners, and administrators, which is the third activity AID/Chile's coordinated vocational education program.

During the year, BNC played an important role in serving as a forum that helped to bring about greater business collaboration in this program, highlighted by a successful May, 1991 visit of twelve Chileans from various sectors to Washington, D.C. to observe vocational education systems through discussions with government, labor and private sector representatives. In November, 1991, agreement was reached with LAC/DR/EHR for a joint review/evaluation of the vocational education program that will be carried out during the last half of 1992.

The remaining three activities in this cluster also contributed directly to the LAC Bureau sub-objective I-B. Catholic University's Human Resources Management activity is considered to have contributed to the remarkable social stability in the country due to successful agreements between firms and unions. A survey initiated in 1991 to assess project impact will provide additional insights on the project's impact. The entrepreneurship training activity managed by the Fundacion Chile has established a network of successful businesspersons to assist and advise the new entrepreneurs start-up technology based ventures resulting from the program's workshops. Under the Housing Guaranty program with the GOC, a mixed public-private sector working group has been established and policy dialogue concerning reforms needed in Chile's private capital market is well underway.

The second cluster of activities addresses sub-objective I-D - Encourage preservation and sustainable use of the natural resource base. Through its fourth buy-in to the R&D Cooperative Agreement with World Resources Institute (WRI), AID/Chile continued its support of the GOC's National Commission for the Environment (CONAMA). Through its support to CONAMA and to NGO's such as CIPMA and CIEPLAN, WRI has helped define the institutional

framework for environmental and natural resources policy making and management within the GOC; greatly expanded the base of technical knowledge and analysis of environmental issues and trends, fostered new policy thinking, and helped increase the public awareness of the environmental issues facing the country. This is a considerable achievement, given the fact that there was so little in place when Aylwin's government took office two years ago. The cooperative agreement was evaluated in the first half of 1991 by AID/W with favorable conclusions on continuing an A.I.D. relationship with WRI.

Additionally, a PASA with the U.S. Environmental Protection Agency (EPA) was negotiated in August 1991 to provide CONAMA access to short-term technical assistance. The first use of this PASA is now scheduled for April, 1992. Another activity supports and AIFLD in-country training program on the safe application of agro-chemicals for rural works. Over 5,000 individuals have been trained throughout Chile's export fruit growing areas. The program will be evaluated in August. Finally, a component of the Housing Guaranty program with the GOC is developing new approaches to promote financing of sewage treatment facilities on a cost recovery basis.

Despite its "streamlined" nonproject sector assistance approach, implementation of the \$10 million primary health care earmark required substantial management oversight, including intensive efforts from USAID/Lima's Controller's Office. The first tranche of \$5.8 million was disbursed into a separate account. The grant was increased by \$400,000 in mid 1991 to enhance a preschool child feeding program. Another \$400,000 increase is scheduled in 1992 for the same purpose. A mid-course joint review was carried out in December 1991 with outside specialists. Overall, progress against agreed upon benchmarks was satisfactory, but the second tranche disbursement was postponed to mid 1992 pending additional performance on several benchmarks.

### **SECTION III. PORTFOLIO ANALYSIS - NEW AND TERMINATING INITIATIVES**

#### **A. New Initiatives**

During FY 93/94, AID/Chile plans to minimize the number of relationships initiated with new local grantees in order to simplify the time-consuming aspects of project start-up. Wherever appropriate, improved portfolio focus on program outputs and the two strategic objectives will be pursued through extension or amendment of existing projects. For the same management reasons, buy-ins to centrally or regionally funded projects will continue to be an attractive mechanism. Typically, buy-ins are funded, managed, and tracked annually since they are for relatively short-term tasks (6-18 months) even though a buy-in relationship can exist for a number of years. The MDC training program is also managed on a year-to-year basis through obligating PIO/Ps.

To reflect better the nature of Chile's MDC program, the format for this section suggested in the guidance memo has been modified below to list all LAC/DI and ITT funded activities by program outputs excluding only mortgages of the funding increments committed under existing obligations. All will start in FY93; the funding amounts include FY94 increments. Project numbers are only assigned by AID/Chile once a specific obligation process is initiated (e.g., PIO/T issued).

**Strategic Objective 1**  
**Responsiveness of Key Institutions to Citizens' needs increased**  
(LAC Bureau Objective II)

<u>Program Output</u>	<u>FY93/94 Funding (000's)</u>	<u>Purpose</u>
Congressional analytic capacity and access to consultation services improved	LAC/DI PSEE \$1,100 *	Further develop CEAL's training and consultative services capacities to satisfy growing Congressional demands, 1994 Congressional turnover requirements, and open new outreach to elected municipal governments.
Effectiveness of targeted regional and municipal governments improved	LAC/DI PSEE \$500  ITT:PSEE \$500	Buy-ins to LAC/RFMIP II; PRE/H CA with ICMA; Sister Cities, and others to be determined.  Develop capacity of CORCHILE to promote decentralization and public-private sector collaboration at local level.

\* In addition to \$300,000 of incremental funding under existing C.A. scheduled for FY 93; see New Activity Description.

**Strategic Objective 2**  
**Support Selected Investment and Environmental**  
**Objectives of the EAI**  
(LAC Bureau Objective I)

<u>Program Output</u>	<u>FY93/94 Funding (000's)</u>	<u>Purpose</u>
Instit. infras. for environ. protection established		
WRI Buy-ins	ITT:PSEE \$ 800	Continue WRI energy and natural resources program
EPA PASA	ITT:PSEE \$ 200	Continue EPA short-term t.a.
AIFLD Pesticide Management	ITT:ARDN \$ 300	Follow-on training of workers re ag. chemicals.
EP3 Buy-ins	ITT:PSEE \$ 200	Promote industrial antipollution measures
EPAT Buy-ins	ITT:PSEE \$ 200	T.A. and support for natural resources economics training
Awareness of the importance of labor productivity increased		
Jeff. Scholarships	MDC Train. \$ 350	Continuation of short-term training in voc. education
Training Support	ITT:PSEE \$ 150	Amendments to continue BNC support training program
Total Quality Award Program	ITT:PSEE \$ 300	Public recogn. of firms with collaborative worker mgt.
GOC policies promote priv. sector finance of housing	ITT:PSEE \$800	Amendments to RHUDO/SA contracted t.a. support for HG
MIF implementation priority influenced		
Microenterprise	ITT:PSEE \$ 500	Extend operations of PROPESA and FINAM for replication of successful microenter. mechanisms
Other MIF areas	ITT:PSEE \$ 300	T.A. bridge until MIF becomes functional

The comparative advantage of an MDC program is still its flexibility to respond efficiently to needs within the strategic objective areas as low cost opportunities arise. The above two year projection of new initiatives can only be illustrative, with specific programming decisions made each fiscal year.

**B. Terminating Activities**

During FY 92, 93 and 94, the following terminations are scheduled:

<u>Title/Number</u>	<u>Scheduled Completion</u>	<u>Implementing Entity</u>	<u>Remarks</u>
Entrepreneurial Training (EMPRETEC) 598-0616-513-02	Dec., 92	Fundacion Chile/UNCTC	AID/Chile recommends follow-on thru new LAC/SAM regional project for Southern Cone trade promotion.
Micro-enterprise Promotion 598-0616-513-07-01	June, 92	Accion Int./PROPESA	Follow-on grant directly to PROPESA proposed
Micro-enterprise WWB/Futures Group Subcontract No. W-90-00-4	Feb., 92	GENESYS buy-in ICRW/FINAM	New buy-in proposed to continue support thru GENESYS
Human Resources Mgt. Improvement 598-0616-513-01-01	Aug., 92	Catholic University Faculty of Bus.and Econ.	One year, no cost extension being made
Tech.Vocational Education 598-0616-513-08-01	Dec., 93	Center for Investigation and Development of Education	On Schedule

**SECTION IV. RESOURCE REQUIREMENTS**

Program funding needs from LAC/DI and AOJ sources to support AID/Chile strategic objective one are \$2.6 million in FY93 and \$2.5 million in FY94, largely for mortgages as shown below:

<u>Project</u>	<u>Functional Account</u>	<u>Mortgage Increment (000's)</u>	
		<u>FY 93</u>	<u>FY94</u>
Civic Education (PARTICIPA)	EHR	\$ 600	\$ 600
AOJ (CPU)	ESF	\$ 1,000	\$ 1,000
Legislative Center (CEAL)	PSEE	\$ 300	-
<b>TOTAL</b>		<u>\$ 1,900</u>	<u>\$ 1,600</u>

The \$1.6 million difference between mortgages and total needs is for an extension and increased level of effort for CEAL and a new activity in local government.

Program funding from ITT and MDC training sources is requested at \$2.75 million in FY93 and \$2.5 million in FY94, principally to support strategic objective two. This level of funding would permit a substantial increase in AID/Chile's level of effort in environment and new outputs in EAI/MIF support. The mortgages and similar commitments for on-going projects are: (a) \$700,000 of EHR for the vocational education program, which will begin tapering off in FY 94; (b) \$800,000 of PSEE for HG technical assistance, funding for which will end on FY94; (c) \$800,000 of PSEE for continuation of the WRI buy-in and the EPA PASA at current levels; and (d) \$120,000 to continue an existing FSN-PSC position for program implementation support.

Another \$240,000 of ITT funds from the PSEE account in FY93/94 would be used for two FSN-PSC's who will assist with implementing environmental and the democratic initiative activities respectively. Given the increased environmental implementation responsibilities due to portfolio growth and the A.I.D. Representative's new responsibilities as the USG representative on the EAI environmental fund board, an additional FSN staff professional is warranted. The o/e funded FSN-PSC currently managing environmental activities as part of a broad set of responsibilities will be re-assigned to help implement the democratic initiative portfolio, in anticipation of increased travel of the Regional Democratic Initiatives Officer stationed in Santiago. The o/e funded position currently occupied by this individual will be eliminated. Consequently, AID/Chile will have three program funded project implementation coordinators, each one responsible respectively for clusters of activities in: (a) EAI and private sector support; (b) environment; and (c) democratic initiatives.

At the same time, some of the current miscellaneous program coordination duties of the individual moved to program funded democratic initiatives implementation support (e.g., PSTCs) would be assumed by the Executive Assistant/Senior bilingual secretary. To make this increase in functions feasible, an additional entry level secretary/clerk would be hired. Nevertheless, there would still be a net savings in o/e salary costs since the o/e funded project implementation specialist position would be eliminated. The planned revised staffing pattern is shown in Annex 1.

Other factors, however, will affect the FY93 o/e budget negatively. The continued strengthening of the Chilean peso against the dollar experienced over the last three years is expected to require about \$30,000 more in FSN salaries and other local currency costs in FY93 without any change in positions. The costs of the potential departure/separation of the A.I.D. Representative and transfer of a replacement could add another

\$50,000 over current levels on a one time basis. Another \$30,000 will be needed for residential rent since FY92 o/e benefitted from a one-time pre-paid lease. Also, unless a new vehicle can be procured in FY92, a budget increase of about \$20,000 will be needed in FY93 to replace the vehicle purchased in FY88. In sum, a net increase in FY 93 o/e of about \$100,000 will be needed.

With the hiring of the FSN-PSC financial analyst in early FY92 and subsequent training in USAID/Lima, adequate capacity now exists to administer Non-Federal Audits (NFA). A pending question remains, however, about the funding of such audits for PSTC grants administered locally. This question has been referred to AID/W, but no answer has been provided.

## SECTION V. ISSUES

A key issue is whether AID/Chile will have the ITT resources necessary to support the implementation of the EAI to the extent proposed. If the Regional ITT project continues to be financed as a residual and is not protected from Bureau wide cuts, AID/Chile's strategic objective two probably is not achievable. One option would be to limit involvement in EAI to the environmental concerns described in other sections, thereby curtailing A.I.D.'s contribution in this key Country Team interest.

If EAI support is accepted as a legitimate strategic objective for AID/Chile, the appropriateness of selecting as a program output the influencing of MIF priorities can still be questioned as an issue. First of all, the timing of MIF funding now appears uncertain. Second, and equally important, A.I.D.'s role as an Agency in the vetting of operational procedures of MIF remains to be established. Both are pre-conditions to AID/Chile's ability to influence MIF priorities.

While Chile does not have the serious narcotics problems of other Andean countries, it is facing increasing challenges in transit, money laundering, and internal consumption. The GOC has recently requested additional assistance, at levels beyond the capacity of the INM program, for interdiction materiale and drug awareness campaigns. The narcotics trade has been politically destabilizing in neighboring countries. The issue is whether AID/Chile should incorporate a new narcotics awareness activity as part of its program outputs under its strategic objective one and seek increased funding for this purpose.

AID/Chile has undertaken a \$50 million Housing Guaranty program with the understanding that technical support will be available from the RHUDO/SA Office in Quito, which traditionally has been funded separately from the field Missions. Operating expense funding restrictions now threaten the ability of the regional housing officers to travel as planned. Curtailment of direct hire project managers will jeopardize the timely achievement of HG

program objectives. Travel funding for RHUDO/SA must be restored or the o/e budget of AID/Chile increased by about \$16,000 annually to fund such travel.

#### **SECTION VI. TROPICAL FORESTS AND BIODIVERSITY ANALYSIS**

Chile has no tropical forests. The on-going ENR program with WRI has kindled interest in the biodiversification concerns of Chile by producing a study that, for the first time in Chile's history, states the case for biological diversification in Chile (despite not being a tropical country) and underscores the importance of Chile's biological resources to the world's community. This activity started in June of 1991 with the creation of an expert advisory group within CONAMA, Chile's National Commission on the Environment.

As a direct result of the preliminary analyses of this group, over 40 proposals were prepared for consideration by the Biological Diversification Program (BSP). Two awards were made. One will examine the impact of logging practices on species diversity. The other will examine the implications of artisan fishing practices of Chile's north central coast. This is the first time Chile has participated in the BSP. Now that a process has been established, participation can be expected to continue and expand in FY93/94.

CONAMA's publication on the case for biodiversification will be issued by mid 1992, thereby encouraging additional interest in biodiversification by the Chilean scientific community. AID/Chile with WRI assistance will continue to assess the appropriateness for any follow-on effort.

CHILE: TABLE 1  
MONITORING THE ACHIEVEMENT OF STRATEGIC OBJECTIVES

Strategic Objective #1: Tasks to get MIS started

Statement	Indicator	Source	Responsibility/tasks
Strategic Objective			
1.0 Responsiveness of key institutions to citizens' needs increased	Citizens' perceptions of responsiveness of legislature, selected municipal governments, electoral process, and judicial system improved (by gender)	Surveys by PARTICIPA, CEAL, and CPU	DI Officer 1. Frame questions to be answered 2. Obtain survey instruments (CEAL, CPU, PARTICIPA) 3. Plan coordination 4. Determine units of measure, if appropriate 5. Assign additional data collection tasks, if required 6. Set timetable for reporting (baseline and follow-up) to A.I.D.
Program Outputs			
1.1 Judicial function and access to justice improved	A. # of legal assistance facilities functioning B. # of persons who receive legal assistance (by gender) per year C. # of regional court administrators D. national automated case tracking system operating E. # of judges and judicial employees trained (by gender)	A&B. legal services survey C-D. CPU records	DI Officer 1. Review reports/survey instruments 2. Obtain base-line data 3. Set targets (CPU, Legal Aid) in #/yr. 4. Define (D) 5. Set timetable for reporting to A.I.D.
1.2 Congressional analytic capacity and access to consultative services improved	A. # of Congressional members and staff trained (by gender) B. # of consultative reports and expert testimony received by Congress	CEAL	DI Officer 1. Get baseline data 2. Set targets (by year) 3. Set timetable for reporting to A.I.D.
1.3 Participation in electoral and political process improved	A. % of 18-21 year-olds who are registered to vote (by gender) B. # of women holding political party office C. # of public political issue meetings held	PARTICIPA	DI Officer 1. Verify validity/availability of (A) 2. Obtain baseline 3. Determine methodology for (B) and (C) 4. Set targets 5. Set timetable
1.4 Effectiveness of targeted regional and municipal governments improved	A. 10 demonstration projects involving municipal and private sector collaboration successfully completed (replication measures to be determined) (other indicators to be determined when other projects are designed)	RHUDO	DI Officer 1. Set target dates 2. Set timetable a. replicability determination b. replicability progress c. demonstration progress

Strategic Objective #2: Tasks to get MIS Started

Statement	Indicator	Source	Responsibility/tasks
Strategic Objective			
2.0 Support selected investment and environmental objectives of the Enterprise for the Americas Initiative	<p>A. No environmental obstacles prevent Free Trade Agreement passage</p> <p>B. Environmental fund is operational and makes grants</p> <p>C. \$x mortgage-backed securities placed in private capital markets</p> <p>D. Technical education curricula more responsive to current business needs</p>	<p>A. CONAMA report (SHOULD BE EMBASSY?)</p> <p>B. Env. fund report</p> <p>C. RHUDO report</p> <p>D. CIDE report</p>	<p>A. Env. Officer</p> <ol style="list-style-type: none"> <li>1. Contact embassy</li> <li>2. Monitor obstacles &amp; report responses</li> </ol> <p>B. Env. Officer</p> <ol style="list-style-type: none"> <li>1. Discuss report format with EF</li> </ol> <p>C. RHUDO</p> <ol style="list-style-type: none"> <li>1. Set target \$ and dates</li> </ol> <p>D. Proj Mgt. Spec.</p> <ol style="list-style-type: none"> <li>1. Define victory criteria</li> <li>2. Obtain baseline</li> <li>3. Set reporting timetable, format of CIDE</li> <li>4. Set targets</li> </ol>
Program Outputs			
2.1 Institutional infrastructure for environmental protection established	<p>A. Environmental impact analysis manual developed and published</p> <p>B. World Bank environmental institutional strengthening loan signed and disbursed</p> <p>C. Data base developed to set environmental problem priorities, by regions</p>	A-C. CONAMA	<p>ENV. Officer</p> <ol style="list-style-type: none"> <li>1. Develop contacts for monitoring</li> <li>2. set target dates</li> <li>3. Define (C)</li> </ol>
2.2 Awareness of the importance of labor productivity increased	<p>A. 20% of agreements between companies and unions include clauses on productivity</p> <p>B. 10% of Chilean companies use performance evaluation systems</p> <p>C. 3 model schools have innovative IVE curricula consistent with local business needs</p> <p>D. National recognition system of quality performance established</p>	CIDE	<p>Proj. Mgt. Spec.</p> <ol style="list-style-type: none"> <li>1. Get baseline</li> <li>2. Set target progress and dates</li> <li>3. Set timetable of CIDE reporting</li> </ol>
2.3 GOC policies promote private sector financing of social interest housing	<p>Enabling legislation and regulations promulgated to:</p> <p>A. implement payroll deductions for mortgage loan collections</p> <p>B. establish low-income mortgage guaranty system</p> <p>C. allow for issuance and trading of mortgage-backed securities</p>	Federal Register	<p>RHUDO</p> <ol style="list-style-type: none"> <li>1. Set target dates</li> <li>2. Agree on progress reporting format</li> </ol>

Statement	Indicator	Source	Responsibility/Tasks
2.4 Multilateral Investment Fund (MIF) implementation priorities influenced	<p>A. Adequate finance received from MIF for national expansion of PROPESA and FINAM microenterprise activities</p> <p>B. MIF establishes vocational education priorities led by competency-based criteria</p> <p>C. AID/RHUDO innovative low-income housing finance mechanisms supported - as necessary -- by MIF</p>	<p>A. MIF</p> <p>B. CIOE</p> <p>C. RHUDO</p>	<p>A. Proj. Mgt. spec.</p> <ol style="list-style-type: none"> <li>1. Agree on what is "adequate"</li> <li>2. Set target \$ and dates</li> </ol> <p>B. Project management specialist</p> <ol style="list-style-type: none"> <li>1. Define victory</li> <li>2. Set targets and dates</li> </ol> <p>C. Proj. Mgt. Spec.</p> <ol style="list-style-type: none"> <li>1. Define victory</li> <li>2. Set target dates</li> </ol>



"My question is: Are we making an impact?"

CHILE: TABLE 2  
STRATEGIC OBJECTIVE PROGRAM OVERVIEW

STRATEGIC OBJECTIVE ONE: Responsiveness of Key Institutions to Citizens' Needs Increased			Source of Support
<b>Program Outputs</b>	<b>Activities</b>		Chile Justice System Improvement Activity (CPU)
1.1 Access to Justice and Judicial Function Improved	<ul style="list-style-type: none"> <li>- Increased opportunities for training and networking among legal aid providers.</li> <li>- Training of judges and judicial staff.</li> <li>- Improvement of court administration, particularly in decentralization and planning.</li> </ul>	<ul style="list-style-type: none"> <li>- Strengthening the Corporación de Promoción Universitaria (CPU) as an NGO capable of providing technical assistance to the judiciary, and promoting permanent research and dialogue on justice.</li> </ul>	
1.2 Congressional Analytic Capacity and Access to Consultative Services Improved	<ul style="list-style-type: none"> <li>- Provision of support to Congress in research and bill drafting.</li> <li>- Training of Congressional members and staff in seminars and workshops</li> <li>- Strengthening the Center for Legislative Studies and Assistance (CEAL) as an NGO capable of providing legislative strengthening assistance to Chile and potentially to other countries.</li> </ul>	<ul style="list-style-type: none"> <li>- SUNY/OIP Center for Legislative Studies and Assistance (CEAL)</li> </ul>	
1.3 Participation in Electoral and Political Process Improved	<ul style="list-style-type: none"> <li>- Reinsertion of civic education into school curriculum.</li> <li>- Teacher training for use of civic education texts.</li> <li>- Technical assistance to encourage voter registration and improve get-out-the-vote capacity.</li> <li>- Annual report on the "State of Democracy" in Chile, based on scientific survey.</li> <li>- Strengthening PARTICIPA as a non-partisan NGO capable of encouraging broad participation</li> </ul>	<ul style="list-style-type: none"> <li>- Civic Education (PARTICIPA)</li> </ul>	
1.4 Effectiveness of Targeted Regional and Municipal Governments Improved	<ul style="list-style-type: none"> <li>- Financing models for urban infrastructure and urban revitalization improved.</li> <li>- Prototype urban environment activities.</li> <li>- RHUDD municipal governance support services continued.</li> <li>- Improvement of municipal financial administration in target areas.</li> <li>- Regional and local linkages established between public and private sectors in target areas.</li> <li>- Training and consultancies to upgrade municipal administrative capacities</li> </ul>	<ul style="list-style-type: none"> <li>- Urban revitalization and environmental initiatives components of HG-010</li> <li>- Decentralization/municipal development activities to be determined.</li> <li>- CEAL program amendment</li> </ul>	

CHILE: TABLE 2  
 STRATEGIC OBJECTIVE PROGRAM OVERVIEW

STRATEGIC OBJECTIVE TWO: Support Selected Investment and Environmental Objectives of the Enterprise for the Americas Initiative

Program Outputs	Activities	Source of Support
2.1 Institutional Infrastructure for Environmental Protection Established	<ul style="list-style-type: none"> <li>- Training and technical assistance in environmental impact analysis.</li> <li>- Studies, workshops, and conferences to promote environmental awareness.</li> <li>- Refinement of environmental indicators.</li> <li>- Improved regulatory framework.</li> <li>- Linkages established to U.S. know-how on regulatory approaches and methods, pollution control, and resource conservation.</li> <li>- Prototype urban environment activities.</li> <li>- Training of farm workers in safe use of pesticides.</li> <li>- Support U.S. role on EAI Environmental Fund board.</li> </ul>	<ul style="list-style-type: none"> <li>- Environmental Awareness/Promotion</li> <li>- Environmental Protection Agency.</li> <li>- Environmental Protection Agency P</li> <li>- R&amp;D Bureau for Environmental Pollution Prevention Program.</li> <li>- HG010/WASH</li> <li>- Pesticide Management (AIFLD)</li> <li>- EAI Environmental Fund</li> <li>- Peace Corps (SPA)</li> </ul>
2.2 Awareness of the Importance of Labor Productivity Increased	<ul style="list-style-type: none"> <li>- Assistance to Chile's business sector in improving human resources management, through faculty exchanges, training, educational materials, research, and expansion of university outreach to business community.</li> <li>- Policy studies and recommendations for changes in technical-vocational education (IVE) programs to reflect private sector needs.</li> <li>- Development and demonstration of innovative IVE training programs that integrate private sector needs.</li> <li>- Participant training in IVE.</li> <li>- Training Chilean labor leaders.</li> <li>- Public recognition of firms demonstrating high quality management.</li> </ul>	<ul style="list-style-type: none"> <li>- Human Resource Management Improve (Catholic University).</li> <li>- Technical-Vocational Education (T Center for Investigation and Development of Education (CIDEC)</li> <li>- ADC Training Support (Binational)</li> <li>- Participant Training (Jefferson Scholarships).</li> <li>- AIFLD/USDOL</li> <li>- Business Management Quality Award Program.</li> </ul>
2.3 GOC policies Promote Private Sector Financing of Social Interest Housing	<ul style="list-style-type: none"> <li>- Policy dialogue.</li> <li>- Capital financing provided to demonstration activities.</li> <li>- Technical assistance in formulating policies and developing mechanisms to implement them.</li> </ul>	<ul style="list-style-type: none"> <li>- RHUDD/SA</li> <li>- HG-010</li> <li>- Technical assistance contract.</li> </ul>
2.4 Multilateral Investment Fund (MIF) Implementation Priorities Influenced	<ul style="list-style-type: none"> <li>- Dialogue with GOC and MIF-IDB.</li> <li>- Demonstration of model for micro-enterprise (FINAM/PROPESA) program development and expansion.</li> <li>- Policy recommendations on vocational education.</li> <li>- Implementation of market-led finance system for social interest housing.</li> </ul>	<ul style="list-style-type: none"> <li>- Policy dialogue.</li> <li>- PROPESA/FINAM follow-ons</li> <li>- CIDE vocational education training Housing IA</li> </ul>

**OTHER ACTIVITIES**  
**STRATEGIC OBJECTIVE PROGRAM OVERVIEW**

OTHER ACTIVITIES Areas	Activities	Source of Support
- EAI Support	- Short-term technical assistance, observational travel, information sharing events, etc. to respond to specific issues arising during trade and investment negotiations. (e.g. patent office modernization, business legislation, etc.).	PD&S
- Health	- A \$10 million bilateral earmark in policy assistance to help revitalize the already heavily privatized health sector, implemented with AID/W-provided technical assistance.	- Ministry of Health
- Family Planning	- R&D funded matching grant and commodities provided to IPPF/APROFA (approximately \$900,000 in total) for family planning activities. APROFA (the national family planning association), an IPPF affiliate, receives AID-funded contraceptives and technical assistance from IPPF as well as salary assistance from the matching grant.	- R&D/POP
- AIDS	- Basic behavioral research is being conducted with high-risk HIV clients in Santiago to inform AIDS prevention activities.	- R&D-Health
- Third-Country Training	- AID/Chile supports other USAID field offices by facilitating "third country" training in Chile. AID/Chile provides logistical support for Latin Americans sent by other A.I.D. Missions for training in economics, science, health administration, and agriculture, etc.	- LAC Missions

**TABLE 3**

**Summary Program Funding Table**

<u>Activity</u>	<u>Funct. Account</u>	<u>Fiscal Year (\$000's)</u>			<u>Strat. Object.No.</u>	<u>Bureau Object. No.</u>
		<u>92</u>	<u>93</u>	<u>94</u>		
<b><u>LAC/DI &amp; AQJ</u></b>		<u>2,300</u>	<u>2,600</u>	<u>2,200</u>		
Civic Education (PARTICIPA)	EHR	800	600	300	One	II-B
AQJ (CPU)	ESF	1,000	1,000	1,000	One	II-A&B
Legislative Center (CEAL)	PSEE	500	800	600	One	II-A&B
Decen./Local Govt.Strength.	PSEE	-	200	300	One	II-A&B
<b><u>ITT/MDC Training</u></b>		<u>1,265</u>	<u>2,750</u>	<u>2,500</u>		
Env. Inst. Strength.:					Two	I-D
WRI Buy-ins	PSEE	350	400	400		
EPA PASA	PSEE	-	100	200		
AIFLD Pest. Mgt.	ARDN	-	100	200		
EP3 Buy-ins	PSEE	-	100	100		
EPAT Buy-ins	PSEE	-	50	140		
Labor Productivity:					Two	I-B
CIDE	EHR	300	220	-		
BNC	EHR	-	100	50		
Jeff. Scholars	EHR	100	150	180		
T.Q. Mgt. Award	PSEE	-	150	150		
Housing Policy T.A.	PSEE	500	500	300	Two	I-A,B&D
EAI/MIF Support:						
Micro-Enterprise						
PROPESA	PSEE	-	200	200	Two	I- A,B&C
FINAM	PSEE	-	100	100		
MIF Bridge		-	200	-		
Decen./Local Govt.:	PSEE	-	200	300	One	II-A&B
Program Imp. Support:						
Priv. Sector PSC (FSN)	PSEE	15	60	60	Two	I-B
Env. PSC (FSN)	PSEE	-	60	60	Two	I-D
D.I. PSC (FSN)	PSEE	-	60	60	One	II-A&B
<b><u>Primary Health Improv.</u></b>	Health	<u>400</u>	<u>-</u>	<u>-</u>	n.a.	n.a.
<b><u>FD &amp; S</u></b>	PSEE	<u>-</u>	<u>100</u>	<u>50</u>	Two	I-A&B
<b><u>Peace Corps SPA</u></b>	PSEE/ARDN	<u>40</u> *	<u>70</u>	<u>100</u>	Two	I-C&D
<b><u>TOTAL LAC Bureau</u></b>		<u>4,005</u>	<u>5,520</u>	<u>4,850</u>		
Other Bureau Funded						
PSTC's (estimated)	n.a.	450	300	300	n.a.	n.a.
POP (estimated)	n.a.	895	600	400	n.a.	n.a.
WID (estimated)	n.a.	100	100	100	Two	I-B&C
<b><u>PROGRAM TOTAL</u></b>		<u>5,450</u>	<u>6,520</u>	<u>5,650</u>		

\* Requested, subject to OYB availability

## NEW ACTIVITY DESCRIPTION

**ACTIVITY TITLE:** (Amendment) CEAL - Center for  
Legislative Studies and Assistance  
(Centro de Estudios y Asistencia  
Legislativa)

**PROJECT NUMBER:** 598-0777-3-9655940

**IMPLEMENTING AGENCY:** State University of New York-Office  
of International Programs (SUNY/OIP)  
and Catholic University of Valparaíso  
(UCV)

**FUNDING LEVELS :**

FY 93	800,000	(500 new & 300 old)
FY 94	600,000	
FY 95	400,000	
FY 93-95	1,800,000	

**FUNDING SOURCE:** (DA/ESF)

### A. Relationship to LAC and AID/Chile Objectives

This amendment will continue support through CEAL for the evolution of stable, democratic societies through the remaining major stages of the consolidation of the Chilean democratic transition, in pursuit of LAC Bureau Objective II, sub-objectives A and B. The strategic objective addressed is: Responsiveness of key institutions to citizens' needs increased; and the principal sub-objective addressed is: 1.1 Congressional analytic capacity and access to consultative services improved. In addition, the amendment will add a secondary focus on another AID/Chile sub-objective: 1.4 Effectiveness of targeted regional and municipal governments improved. The growing success and strength of CEAL is contributing in an increasingly prominent way to Chile's democratic consolidation process, positioning CEAL among a handful of new non-partisan entities now capable of sustained support to the evolution of democratic institutions here.

### B. Relationship to Overall A.I.D. Policy Objectives

AID/Chile has placed its principal and overall emphasis on broadened participation in society, and the EAI efforts as well as the DI efforts all are designed with this overall goal uppermost in mind.

While most observers give the Chilean government high marks for its scant two years of democratic governance, even the staunchest supporters of democracy here believe that it is still weak. This is graphically shown by the recently published results of PARTICIPA's first survey on Democratic Values, in which 59.2% of those surveyed expressed that view. (The survey's margin of error is 3.5%.) That same survey also found an uncertain impression with respect to the function of Congress. Thus, CEAL continues to fulfill a crucial need that no other entity is addressing directly. For example, by being based in Valparaíso near the Congress, CEAL offers a unique opportunity to build its incipient constituency analysis service/databank into a major vehicle for improving Congressional responsiveness to citizen's needs.

This same capacity together with CEAL's proven training skills also provides the basis for expanding an outreach to local governments. The recent successful passage of legislation for a new municipal government structure was another milestone in democratic consolidation. Remaining elements in the cycle will be: municipal elections in June 1992, taking of office of new municipal governments in September 1992, the next presidential and congressional elections in November 1993, and the seating in March 1994 of the next President for a full eight-year term and the new Congress for four years.

#### C. Relationship to Other Donor Activities

CEAL is also seeking assistance from the European community for its activities in municipal and regional government seeking to educate the populace and the various constituencies of Congress on the roles and function of different levels of government. Also, a significant World Bank assistance program for computerization of the Congress is underway. CEAL has offered to assist with facilitation of U.S. experts as requested.

#### D. Activity Description

The amended program will: a) continue SUNY/CEAL's principal emphasis on consolidation of its system of training, consultative and advisory services on the legislative process to the Congress; b) further develop the capacity of CEAL to provide training and orientation to the new municipalities, through both in-service training programs and more formal university certificate programs; c) provide limited access to CEAL services and training for national congresses in neighboring countries (Argentina, Paraguay, Uruguay), through modest buy-in levels via AID Representative Offices in those countries.

The program will continue to be managed and backed by the State University of New York through its Office of International Programs (SUNY/OIP). Through SUNY/OIP, CEAL has effective access to all 64 of the SUNY system campuses, the New York State Legislative information system and to a team of Spanish-speaking legislative and financial analysts from several U.S. state legislatures and Puerto Rico organized for SUNY/OIP through the National Conference of State Legislatures. Since the arrival in 1991 of the AID Regional Democratic Initiatives Officer, AID/Chile manages all the programming and policy aspects of the CEAL project, while project financial management and accounting is with the Overseas Division of the Office of Procurement, AID/W.

#### E. Sustainability

CEAL has successfully begun the process of "mainstreaming" itself within the UCV, with the naming of a five person board consisting of the University Rector, three Deans and the CEAL Director. UCV will eventually provide a line item for CEAL to cover its core budget. Fundación Andes, a Chilean entity has responded positively to CEAL proposals in several areas. CEAL also expects to sign an agreement with the GOC Interior Ministry to design a municipal government training program. CEAL increasingly is selling services such as bill-tracking to Chilean institutional clients. CEAL should be able to stand alone by PACD of this amendment.

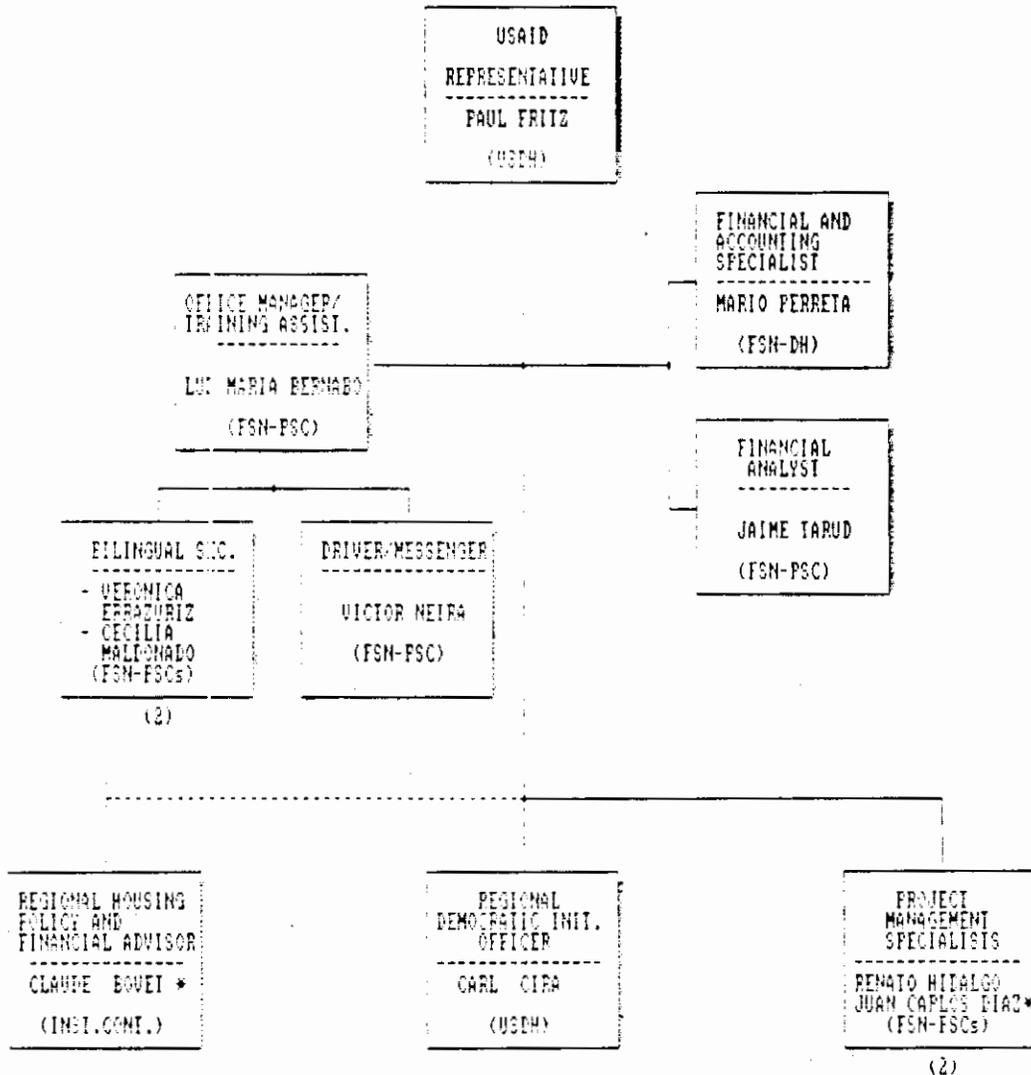
#### F. Potential Issues

The degree of institutionalization and financial sustainability of CEAL over the LOP is the principal concern of AID/Chile. CEAL is able to handle the three program areas professionally. CEAL's growing recognition as a sub-regional center of excellence is compatible with AID/Chile's and RDIO's broader efforts to assure Chilean interaction with the Mercosur group of countries at all levels. Nevertheless, AID/Chile does not intend for CEAL to move into direct services to other national legislatures in a major or precipitous way. The primary emphasis for CEAL will remain consolidation of its position in Chile over LOP.

# AID/CHILE

## ORGANIZATION CHART

ACTUAL

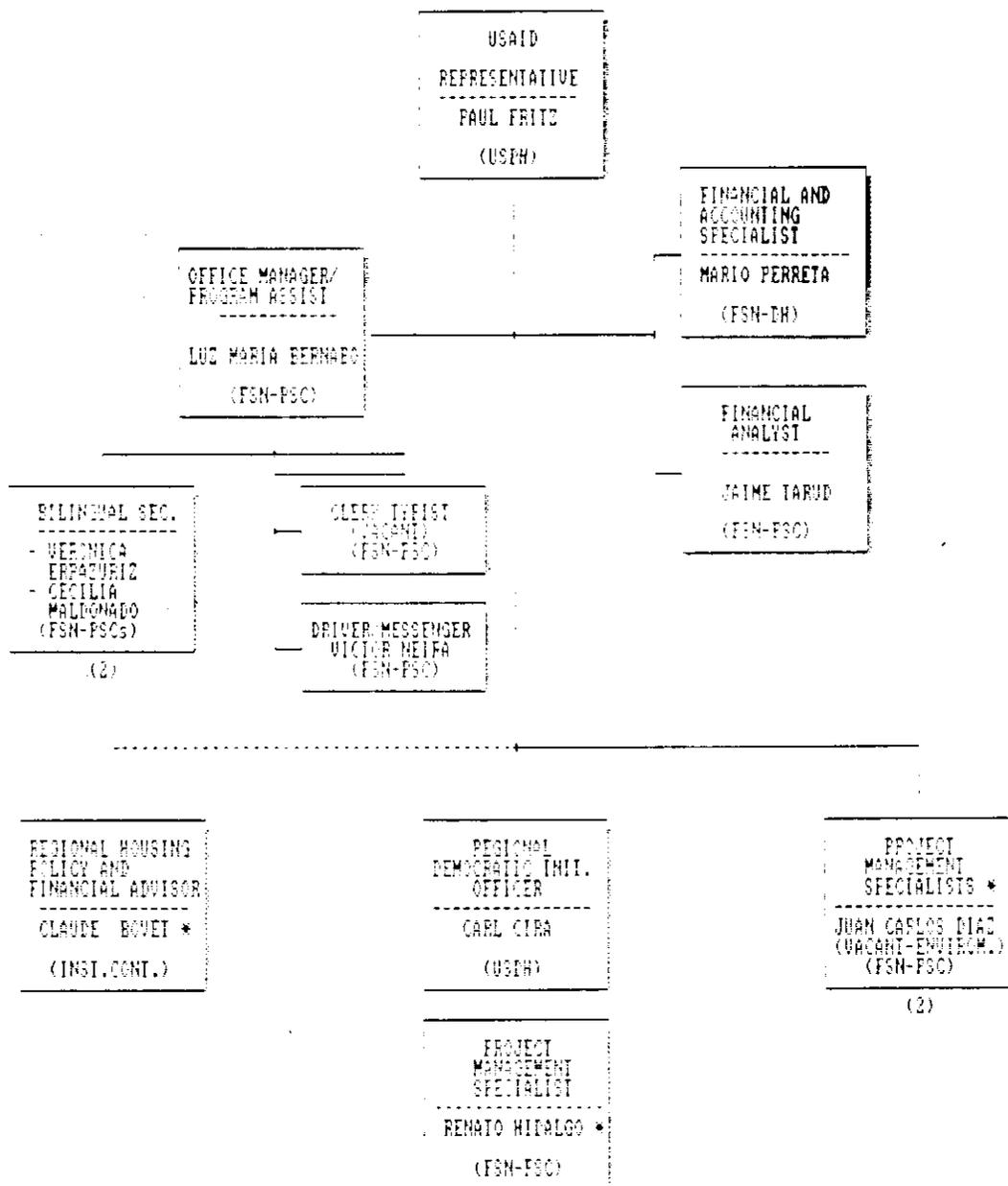


———: USAID/CHILE : 10  
 - - - - -: RHUDD/SA CONTRACTOR: 1 (NOT LOCATED IN USAID OFFICE)  
 TOTAL STAFF : 11 (U.S.: 3; FSN: 8)  
 O.E. FUNDED : 9 (U.S.: 2; FSN: 7)  
 \* PROGRAM FUNDED : 2 (U.S.: 1; FSN: 1)

# AID/CHILE

## ORGANIZATION CHART

### PROPOSED



\_\_\_\_\_: USAID/CHILE : 12  
 - - - - -: FPN/D/SA CONTRACTOR: 1 (NOT LOCATED IN USAID OFFICE)  
 TOTAL STAFF : 13 (U.S.: 3; FSN: 10)  
 O.E. FUNDED : 9 (U.S.: 2; FSN: 7)  
 \* PROGRAM FUNDED : 4 (U.S.: 1; FSN: 3)

CHILE

ADC ANNUAL PORTFOLIO REPORT

CY 1991

**CHILE**  
**ADC ANNUAL PORTFOLIO REPORT**  
**CY 1991**

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## I. CHILE JUSTICE SECTOR IMPROVEMENT

### A. Activity Data:

No. : 598-0642-A-00-1064-00  
Amount: \$3,500,000 LOP  
Source: LAC-DI - ESF  
Estimated Completion: Sept. 30, 1995  
Implementing Agency : Corporación de Promoción  
Universitaria (CPU), (Chilean NGO),  
and direct AID/Chile grants

B. Purpose: This four-year program is building on the success of the prior CPU-directed pilot effort, focusing inputs on three priority areas of justice reform: (a) training of judges and court personnel; (b) court modernization; and (c) legal assistance for the disadvantaged. The 1989-90 CPU pilot project made significant contributions to the public debate and the legislative formulation process concerning judicial reform. That effort, particularly the major portion channeled to judicial training, has been the largest and most practical effort to promote and support justice system improvement in this still crucial transition period for Chile. CPU will implement \$3.0 million of the program through its cooperative agreement. The \$500,000 balance will be administered by AID/Chile through direct grants and contracts to support evaluation and complementary efforts.

C. Status: The present Chile Justice System Improvement Project (CJSIP) addresses several of the principal problems identified during the pilot project. Recently, the Minister of Justice expressed his belief to U.S. Ambassador Curtis Kamman, that the AID-CPU pilot project had "socialized" among Chile's judges the need for in-service training, which he felt would have been resisted if the executive branch had pressed it on the judiciary. As a result, the pending legislation to establish a judicial school has broad support in the judiciary. The new program was developed in late 1990 and early 1991 jointly by CPU and A.I.D. in close consultation with the Ministry of Justice, court administrators, the Judges Association and groups active in legal assistance to the low-income sector, particularly women.

The new program continues to provide the only substantial organized training for judges and court personnel through the National Judges Association. This nucleus of an in-service training system is expected to form the basis of the National Judicial School whose legislated establishment will likely permit start-up for 1993. The project also supports court

administration strengthening with primary emphasis on decentralization into regional administrative offices, simplification of administration and nationwide extension of automated case tracking systems and judicial information availability. The third major emphasis area is extension of legal aid and alternative dispute resolution mechanisms through research training, and establishment of a national network of legal aid and conflict resolution groups.

The follow-on project was obligated at the end of FY 1991; the first two months were spent in organization, activity planning, personnel selection and equipment purchases. With the exception of the slower moving court administration component, the project is now in full function. Its preferred work method is to offer a series of competitive sub-grants seeking proposals from the widest possible range of academic, professional and technical groups and individuals. This technique has already successfully expanded project training and research input sources and assured participation of a broader political and academic spectrum in project benefits and in planning for future activities.

Six different sub-grantees in the legal aid component are working on eight sub-projects on legal information and education for low income Chileans. Projects selected were: legal rights of working women, alimony and child support, legal rights of temporary agricultural workers, legal aspects of establishment of micro-enterprises, prevention of delinquency by low income youth, legal norms for the acquisition and protection of a house, and, labor law and maternity. As well, a national survey on unmet legal aid and dispute resolution needs will be completed in October 1992 and a similar study on needs of low income women is underway.

While the project team is excellent, it has been operating with an interim director, which has impeded full engagement with the law reform efforts of the GOC. Since the September start up was so late in the 1991 Chilean professional work year, persons of the level and prestige CPU sought for the job were fully committed for the year. The search was resumed in March 1992, after the traditional February vacation shutdown, and CPU expects to make a decision soon.

Another positive element is the attraction to the project board of a highly qualified group of recognized experts and judges who also participate in the juries selecting the winning proposals and serve as technical advisors.

**II. CEAL - CENTER FOR LEGISLATIVE STUDIES AND ASSISTANCE  
(CENTRO DE ESTUDIOS Y ASISTENCIA LEGISLATIVA)**

**A. Activity Data:**

No. : 598-0777-3-9655940  
Amount: \$2,000,000 LOP  
Source: LAC/DI - PSEE  
Estimated Completion: September 30, 1993 (current grant)  
Implementing Agency : State University of New York Office  
of International Programs  
(SUNY/OIP) and Catholic University  
of Valparaiso (UCV)

**B. Purpose:** To strengthen and consolidate democracy in Chile through the development of a strong, and efficient legislative branch. This grant is establishing a non-partisan, university-based center to provide training, research and consulting services to the restored Chilean Congress which took office in March, 1990.

**C. Status:** The past year was CEAL's second year of full operation in provision of services and saw a number of important achievements and milestones, all of which combined to mark 1991 as a real take-hold year for this project. In addition to important improvements in CEAL management, the level and coverage of services reached a large number of Congress members and staff, permitting deepened CEAL engagement with the Congress on a number of levels.

Within CEAL and UCV, CEAL direction became much more attuned with the Congress' needs with the designation of a new, more practically-oriented Director. In 1991, UCV also established a CEAL board consisting of the Rector, the Deans of the Law, Engineering, and Economics faculties, plus the new Director, a major step in institutionalization of CEAL within UCV.

Significant new CEAL activities included the establishment of a legislative report service to respond to requests of committee staff and individual members of Congress for analysis and comment on pending legislation. CEAL set up an 80 person bank of experts after surveying all of the law faculties in Chile for specific expertise. To date, twenty-five reports have been completed and several CEAL associated experts have testified before congressional committees.

CEAL and UCV computer experts have developed software allowing detailed comparative analysis of the current prior and proposed national budget by the relevant congressional

committees. CEAL also can provide reports on request concerning comparative expenditures for recent years. Another software package being completed and tested at CEAL will allow each member to track relations with constituent groups in their districts.

A CEAL series of off-the-record press breakfasts with eminent figures of different parties has been an immediate success, providing the only such point of informal press contact, and many congressional members are anxious to participate. In the 1992-93 session, CEAL has placed fifteen law students in their last year of study as interns in the offices of individual members of congress from parties across the full political spectrum. There were many more requests than available interns and the program will be expanded. In publications, 1991 saw the production of a citizens guide to how government works and in 1992 a Guide to Congress will appear, similar in format to U.S. publications.

CEAL also has begun to build relations beyond Chile and has become a regular stop for visiting legislators, academics and officials from other Latin American countries. Ecuadorians, Bolivians, Argentines, Paraguayans, Salvadorans and Costa Ricans have met with CEAL staff and continue to seek information, and increasingly, advice and consultancies. CEAL experts were asked to demonstrate the budget analysis software abroad for the Guatemalan and Costa Rican legislative bodies. As a result of visits to CEAL, USAID/Bolivia initiated discussions with SUNY/OIP concerning a possible legislative management project which would include a component partially replicating the CEAL model in the Catholic University of Bolivia (UCB). UCV would establish a tie with UCB and CEAL experts would advise.

In May of 1992, the second Chilean to receive a Master's Degree in Legislative Administration from SUNY will join the CEAL staff. Three others will complete one-year SUNY certificate programs, and with two returning to the Congress or CEAL during 1992, and one remaining a second year to complete a Master's Degree.

### III. CIVIC EDUCATION - PARTICIPA

#### A. Activity Data

No. : 513-0796-A-00-1025-00  
Amount: \$2,300,000 LOP  
Source: LAC/DI - PSEE/EHR  
Estimated Completion: May 31, 1994  
Implementing Agency : PARTICIPA

B. Purpose: To support efforts to achieve a long term consolidation of citizen participation in the political and electoral processes, through a non-partisan organization capable of directly mobilizing and managing resources.

C. Status: The Cooperative Agreement was signed on April, 1991 and start-up activities began in May. Since then, drawing on its established volunteer network in nine of Chile's twelve regions, PARTICIPA has produced more than fifty seminars, discussion meetings, and short courses reaching more than 15,000 persons. The themes ranged through youth participation, human rights, challenges of democracy and reconciliation, participation of women in neighborhood, municipal and regional politics and government. To produce this level of activity, it held numerous training and promotional meetings with its volunteers throughout the nation, as well as evaluation meetings to review progress in recruitment and training of volunteers in the regions.

PARTICIPA has moved quickly to form an international advisory committee headed by former U.S. Congresswoman Lindy Boggs. The committee is leading efforts to diversify PARTICIPA funding, based on a business plan developed with assistance from U.S. consultants.

The PARTICIPA civic education text for middle schools was accepted by the Ministry of Education and training sessions for teachers in its use were organized at the university level. PARTICIPA has signed agreements with several private universities and installed several civic education courses as part of the regular curriculum.

PARTICIPA has also spearheaded a major effort with other groups to promote registration of young people to vote in Chile's first municipal elections in twenty years, to take place in June 1992. The goal was to register 600,000 of the estimated 800,000 first time voters before registration closed three months prior to election day.

Finally, PARTICIPA is conducting a four year effort to track citizen perceptions of democracy via an annual survey of a representative sample of 1,500 persons. The eminent team of researchers that successfully designed the methodology and the survey instruments is drawn from three different philosophical backgrounds, assuring broad credibility for the results. The recent release of data and results of the first year survey drew wide attention in the printed press and in television journalism and discussion programs. AID/Chile expects to be able to use the survey as a partial gauge of project impact as well.

#### IV. ENVIRONMENT AWARENESS AND PLANNING

##### A. Activity Data

No. : 598-0616-513-03-02  
Amount: \$900,000 though FY92  
Source: ITT:PSEE/ARDN  
Estimated Completion: Renewable annually  
Implementing Agency: World Resources Institute

**B. Purpose:** Support and strengthen the capacity of the GOC national Commission for the Environment (CONAMA) through the achievement of the following objectives: (1) support the development of public policy and institutional initiatives for improving environmental quality and the management of natural resources; (2) foster research and analysis of environmental and natural resource management issues; and (3) support activities in environmental education, training and public awareness.

**C. Status:** Since its start up in 1989, the ENR program has been implemented through four buy-ins to the EPM project. The first three buy-ins, for a total of \$250,000 support an outstanding triennial conference on environment and the implementation of the ENR strategy, respectively. The FY92 buy-in for \$350,000, is currently being processed by AID/W. Additional buy-ins are planned in FY93 and 94 to continue the WRI presence in Chile. A summary of progress since the inception of the program follows below, including the FY92 tasks planned during the year.

**ENR OBJECTIVE 1 - Support the development of public policy and institutional initiatives for improving environmental quality and the management of natural resources**

1. Preparation of Funding Proposals to the World Bank by the Transition Team Environmental Committee (Completed)

The proposals prepared by the committee produced a commitment from the World Bank for a multi-million dollar program to help CONAMA strengthen ENR policy and institutional development in the country. The loan is currently being negotiated.

2. Public Sector Workshops on the Environment/Regional Seminars (Completed)

The regional seminars carried drew local public agency officials and NGOs together to identify and analyze critical

environmental problems and established linkages among regional actions. CONAMA reached out to its regional counterparts, increased their awareness, built consensus about regional environmental priorities, clarified its role, and laid the foundation for gathering regional information. An estimated 420 professionals were involved in these exercises.

3. Publication and Dissemination of Regional Environmental Problems Report (April 92)

Plans have progressed satisfactorily in the publication and broad dissemination of a book that presents a global vision of the country and summarizes the experience of the regional seminars. This activity will contribute significantly to increased public awareness of environmental issues and trends.

4. Seminar on Training for Environmental Quality Control (Completed)

The workshop offered participants a sound starting point for understanding past efforts and future options. It initiates a relationship between A.I.D. and EPA to provide technical assistance to the GOC on environmental quality control, planning and pollution management issues.

5. State of the Environment Report (Underway)

The State of the Environment Report describes environmental conditions and trends, and policy directions that will contribute to support the national environmental system currently designed by CONAMA. This report jointly prepared by CONAMA and Catholic University will be the basis for development of future ENR policies. Four experts from the public sector and four from University of Chile and Catholic University participated in this effort. The final report will include information such as: a) description of natural system in Chile; b) legislative and institutional structure and issues; c) identification of air, water and pollution issues, etc. This activity is a direct outgrowth of regional environmental seminars with participatory planning done by CONAMA. It helps identify key problem areas and serves as an input to the establishment of ENR management programs. This document is the first of its kind, and is expected to become a regular CONAMA publication. Its publication in April 1992 and broad dissemination will increase public awareness and provide a framework for new policy and legislation.

**ENR OBJECTIVE 2 - Foster research and analysis of environmental and natural resource management issues**

1. Preparation and Publication of Environmental Atlas  
(Completed)

The Atlas provides information, through descriptive analysis and maps, about the major types of environmental problems occurring in the thirteen regions of the country and ranks them according to their intensity. Approximately 1500 copies were distributed. The Atlas received good press coverage, raised public awareness, and promoted environmental literacy. The Atlas provided the starting point for regional environmental commissions to develop analyses and options for each of their jurisdictions, providing a springboard for the series of regional training seminars CONAMA conducted throughout 1990 and 1991. The Atlas was the first step towards launching the current study to produce the first Chilean National State of the Environment Report.

2. CIEPLAN Natural Resources Economics Research and Conference (Completed)

This activity introduced the new methodologies of environmental economics into Chilean economic research and policy analysis. A conference brought prestigious Chilean economists together to deal with these important themes for the first time. The results were published in a book entitled Desarrollo Medio Ambiente. This initiative helped leverage funds from the Ford Foundation and from other donors to support its relationship with CIEPLAN, a prestigious Chilean think tank.

3. Design of Environmental Quality Indicators in Chile  
(On-going)

Preliminary inputs have been made for the establishment of a system for measuring and monitoring environmental quality conditions and trends and the use of natural resources throughout the country. The study contributes to identification of institutional capabilities in information management, data sources, and those important environmental problems for which no data or information exists.

4. The Case for Biological Diversity in Chile Study (On-going)

An advisory group of four experts from the public sector and four from the private and academic communities participated in this project lead by a CONAMA advisor. WRI provided bibliographic references and other relevant information to CONAMA for this study. The study presents the case for biological diversity in a non-tropical country such as Chile.

Its publication will, for the first time in Chile's history, state the Chilean case and underscore the importance of Chile's biological resources to the world's community.

5. Soil Degradation Study (April 92)

Planning has been carried out for preparation of a preliminary inventory related to the different phenomena affecting soil degradation in Chile. The process will strengthen linkage between CONAMA and natural resource agencies in the country.

6. Environmental Impact Assessment Methodologies Manual  
(On-going)

This activity is preparing a manual on guidelines for applying environmental impact assessment methodologies to investment projects. It will increase the technical and analytical capabilities of national and regional agencies for conducting, reviewing and coordinating the preparation of environmental impact assessments. A draft document contains a list of specific sectors targeted for the application of EIA's. WRI provided the identification of EIA methodologies applied in U.S. in sectors in which Chile could also use, such as: a) fishing industry; b) hydroelectric power generation; c) mining activities and smelting; d) urban development, etc. A final report on EIA will be completed by April 30, 1992, once CONAMA receives the observations of Ministries and other organizations of the Chilean government. The manual will be broadly disseminated and will contribute to guide and incorporate environmental criteria into the development project's decision making process. The activity is linked to a broad training and institutional development component of a multi-million dollar World Bank loan to the Chilean government to be implemented by CONAMA.

**ENR OBJECTIVE 3 - Support Activities in Environmental Education, Training and public awareness**

1. CIPMA's 3rd Conference on Science, Technology and Environment (Completed)

The conference drew together high-level Chilean environmentalists, scientists, representatives of the private sector, NGOs, and government officials to discuss environmental science, technology, and public policy. The conference contributed to increasing public awareness of environmental issues. The two leading presidential candidates chose it as the place where they met face to face for the first time to publicly discuss their views on the importance of the

environment for the development of the country. The success of the Conference also strengthened CIPMA's role as a leading environmental NGO.

2. CIPMA's Fourth National Conference on Environmental Management and Development (May 92).

The 1992 conference discussions will become a key input to shaping environmental policy in Chile. The conference will again draw together high-level public and private sector decision-makers, to discuss two principal issues: first, environmental management and legislation, including the roles of industry and government in a democratic society; and second, the Enterprise for the Americas Initiative and Free Trade and Environment.

3. CIPMA's Regional Environmental Information Network (On-going)

CIPMA has created an environmental information database and clearinghouse linked through a computer network to regional universities, major NGOs, and government institutions. This activity is making environmental information more accessible and available to a wide variety of groups throughout the country. A computer network to all regional universities should be electronically connected by 1993.

4. Preparation and Dissemination of Public Outreach Materials (April 92)

CONAMA is being assisted with the preparation, publication, and dissemination of environmental education and outreach materials focussed on raising public awareness and participation. As a result, the public will be better informed and CONAMA will be better known.

5. Media Representative/Journalist's Workshops (April 92)

This project will raise awareness and attempt to re-focus the role of the media in shaping public opinion and participation with respect to environmental issues.

6. EIA Training for Government Officials (April 92)

Government officials will participate in a series of training workshops in EIA (Environmental Impact Assessment) techniques, methods and procedures. This activity will produce EIA-adept government officials in key regional and central

government agencies throughout the country. Consequently, environmental criteria will be incorporated into the investment project decision making process.

US

**V. TRANSFER OF ENVIRONMENTAL TECHNOLOGY**

**A. Activity Data:**

Number: 598-0616-513-03-02  
Amount: \$50,000 FY 91  
Source: IIT-PSEE  
Estimated Completion: June 30, 1992  
Implementing Agency : Environmental Protection Agency, EPA

**B. Purpose:** Provide short-term technical assistance to the GCC's National Commission on Environment (CONAMA), for the design and implementation of national environmental policies regulations, and technical management of environmental problems. This assistance is based upon the experience of the U.S. Environmental Protection Agency (EPA), others U.S. Government agencies, and similar activities in other countries, to be adapted to, or serve as models for its application in Chile.

**C. Status:** The Participating Agency Service Agreement (PASA) was not signed by EPA until August, 1991, although the PIO/T had been forwarded in February, 1991. No technical support services were provided during 1991. In November, 1991, CONAMA's Executive Secretary travelled to Washington, D.C. and discussed with EPA its proposal for the initial EPA tasks under this agreement. The first work activities are scheduled to start in April, 1992 with the visit of three EPA staff members, headed by EPA's Latin American Program Manager. AID/Chile funds covers only the travel and per diem costs of U.S. advisors coming to Chile and local experts to the U.S.

## VI. PESTICIDE MANAGEMENT

### A. Activity Data:

No. : 598-0616-513-03-04  
Amount: \$120,000  
Source: ITT:ARDN  
Estimated Completion: June 30, 1992  
Implementing Agency : American Institute for Free Labor  
Development (AIFLD).

**B. Purpose:** This activity supports an in-country training program of the American Institute for Free Labor Development (AIFLD) to increase the knowledge of rural workers about safe application of agro-chemicals. The purpose is to reduce the incidence of health problems associated with pesticide application among the farm workers in the fresh fruit industry. The target is to provide training to a minimum of 5,000 workers of the 17,000 who are affiliated with the National Campesino Confederation (CNC).

**C. Status:** The agreement was signed in September, 1990. During 1991, the program begun with the selection of ten field educators who will work for the length of the project. These educators were initially trained by the Chilean Safety Association (ACHS), a non-profit safety organization funded by the private sector. Each of these trained educators led an average of 3.5 sessions per month with an average of 21 participants per course.

In the first semester, 15 percent of the participants were non-CNC and this percentage increased to almost 30 percent in the last semester of CY 1991. This increase was mainly due to the different local agreements the CNC entered into to provide basic education on pesticide to some Ministry of Education public schools, centers of the Institute of Rural Education and a rural cooperative.

In total, 5,087 people have attended to training courses given by the CNC. Also about 200 workers attended the regional courses organized jointly by CNC and ACHS instructors. The A.I.D. project officer attended some of the regional courses and other carried out in the metropolitan area of Santiago. An important percentage (60%), of the audio materials utilized were developed by CNC, some purchased from ACHS and other technical organizations. The educators begun gradually to use video education material which had an excellent reception. Despite of these positive achievements, the current system of data gathering, which was already simplified, is still having some problems in obtaining solid information from the field

educators regarding the development of the training course. AIFLD will continue working in order to develop a good evaluation tool. The visit of Dr. Marion Moses, head of the Pesticide Education Center of California, in August this year (1992), offers the opportunity for an outside technical evaluation for this project.

Finally, two CNC leaders along with the CNC Project Coordinator travelled to the United States on a two week orientation trip. They contacted private and public sector groups and had meetings with local farm workers union.

## VII. MICRO-ENTERPRISE PROMOTION

### A. Activity Data:

No. : 598-0616-513-07-01  
Source: ITT-PSEE  
Amount: \$370,000 LOP  
Estimated Completion: June 30, 1992  
Implementing Agency : Accion International through its  
local affiliate, PROPESA

**B. Purpose:** To establish a new system within Chile's private sector for channelling credit and technical assistance to the micro and small scale business sector. The program is targeted to benefit 3,400 micro-enterprises in four years. The A.I.D. grant is to help cover start up operational, training, evaluation and audit costs until earnings from loan portfolio are sufficient to cover these costs. No grant funds are being used for credit.

**C. Status:** As of December, 1991, after about three years of lending operations, PROPESA has some 3,800 beneficiaries. Most of these beneficiaries received more than two loans. The total number of loans accumulated in three years is almost 8000 worth over \$2.5 million; thus, the average size loan is about \$313 at current exchange rates. PROPESA initiated its operations committed to working exclusively with individual borrowers. In an effort to reach greater numbers of smaller size clients more effectively during 1990-1991, PROPESA begun a "solidarity" group lending approach encouraging that potential borrowers organize themselves into groups of at least four consignees. Such groups could then seek loans from PROPESA that would be redistributed among group members, with loan servicing managed by the group. Despite initial doubts about the willingness of the Chilean micro-entrepreneur to associate in such a fashion, the results were very successful. At this point about two thirds of PROPESA's new clients are in the solidarity group category. Approximately half of the solidarity group members are women, compared to 25 percent of the individual loan portfolio.

The delinquency rate is also more favorable with the solidarity group approach, with greater than 30 days delinquencies running at about 0.6 percent for the group loans compared to 3.9 percent delinquency on the individual loans. The latter amount represents an important creeping up of the rate compared to last year and has resulted in increased management attention and collection efforts. Over 39 loans have entered into a

legal recovery process. The overall level of delinquency, however, is not alarming compared to Accion International's experience in Latin America and is very manageable.

In February 1991 a branch of PROPESA was open in Melipilla, a farming town on the outside of the greater Metropolitana area of Santiago. This branch is supported very actively by a group of businessmen. They donated \$57,000 for operations and a rotating fund for loans. They also participate in the credit committee. At the end of the year 76 loans were approved and half of them correspond to women.

During March the IDB loan negotiated in 1991 became effective. This is a \$500,000 soft loan and \$130,000 technical assistance grant. From this amount \$384,600 were used in 1991 as loans and \$44,000 for equipment and technical assistance. This is a significant addition to other institutional grants previously received totalling \$264,000. Cash and in-kind contributions from the Chilean business community total \$450,000 to date. In 1991, Fundación Andes increased its previous grant in \$10,000 for equipment and the Solidarity Fund of the Ministry of Planning granted PROPESA with \$60,000 for training activities addressed to microenterpreneurs. The A.I.D. grant was increased in \$70,000 from which \$58,000 is being used for an impact evaluation of PROPESA's activities and to prepare a strategy and detailed plan for extending the model developed under AID Grant to other cities of Chile. Among other things, the plan will present the criteria for selecting the cities for expansion of PROPESA's activities and will describe how private sector resources will be mobilized for supporting these outreach efforts. An other \$12,000 will be used for a review of PROPESA's administrative and financial management procedures and capacities. Thus, this \$370,000 A.I.D. grant has already leveraged over \$1,000,000 in other funds. In addition, Accion has used about \$300,000 of its AID/PRE guaranty to obtain loans to PROPESA from local banks. To carry out its increased lending operations planned for 1992, PROPESA is adding seven new credit advisors and two instructors in microenterprise management.

To date, PROPESA has assisted 3,800 microenterprises exceeding the 3,400 target for the first three years of the program, with over 5,000 jobs created and 11,000 jobs improved. In December 1991, PROPESA had a fully trained staff administering over \$600,000 in active loans to eligible small and micro-businesses. The target of \$1.0 million is expected to be achieved in June 1992.

A.I.D.'s share of local operating costs was concentrated principally in the first two years of the program, as scheduled. With this support, PROPESA could seek and obtain

local and international donations and loans for its rotating fund for credit. Interest income from lending is now sufficient to cover all of PROPESA's local operating costs, including its interest expense and reserves for bad loans. Thus, the basic purpose of the grant has been achieved.

The impact evaluation of microenterprises supported by PROPESA concluded that those microenterprises receiving credits, training and technical assistance, have significant increases in their incomes, improvements in their productivity and more new jobs created, in comparison to microenterprises that do not receive support. The Program Internal Rate of Return is calculated at 405%.

As a result of this study, PROPESA is planning to expand its operations in Santiago as well as in cities outside of the metropolitan region. The purpose is to work closely with local governments and the local business communities. The target is 14,000 clients by December 1992 and to duplicate this figure in the following years. However, new operational funds are needed for this expansion plan in order to cover initial training costs of regional staff.

VIII MICRO-ENTERPRISE - WOMEN'S WORLD BANK

A. Activity Data:

No. : The Futures Group Subcontract No.W-90-00-4  
Source: ITT-PSEE  
Amount: \$100,000 AID/Chile  
          \$200,000 GENESYS  
Estimated Completion: February 29, 1992  
Implementing Agency : Women's World Banking Affiliate,  
                          FINAM (Finanzas Internacionales y  
                          Nacionales para la Mujer)

B. Purpose: To enhance FINAM's capacity to design and carry out credit activities that address the specific income generation needs of low income women and to mobilize local and external resources to support such activities. The assistance will take the form of technical assistance and training. There are two basic component parts that will be treated simultaneously. One is assistance to and development of the FINAM infrastructure. The other is direct assistance to the women's income generation program via a rotating credit fund.

C. Status: In the first six months of 1991, FINAM moved into new offices lent by the municipality of Providencia, hired additional staff, and started to implement the credit program. By December 1992 all the funds provided by A.I.D. for the revolving credit program (\$44,000) have been lent to women microenterpreneurs. FINAM has used operational and infrastructure support funds (\$56,000) to improve office equipment (telephones, computers, furniture, etc.) and support staff operations.

The market study and constraints analysis has been completed as scheduled and it reports that an unfulfilled demand for credit exists among approximately 40 percent of a sample of 290 women microenterpreneurs.

During the year, three audits were carried out by Price Waterhouse, centrally financed through the GENESYS subcontract. FINAM could implement most of the recommendations made by its auditors to improve its accounting system, both for general operations and credit disbursement. Also, a financial management assessment was made by A.I.D./Chile in late 1991 early 1992 and both FINAM and A.I.D. agreed that a general management information system is needed. A status of FINAM Project was elaborated by Ms. Rekha Mehra from the International Center for Research on Women, recommending to

focus its efforts on consolidating its resources and position and, that in order to facilitate credit delivery to low-income women microenterpreneurs, FINAM should open a small office in one of the low-income neighborhoods.

During the months of September and October, and for most of November, FINAM operated with neither a General Manager nor a Credit Manager. The President assumed a greater degree of participation in the day-to-day functioning of FINAM until a new General Manager and Credit Manager were hired mid November.

As of December 1991, after a year of lending operations, FINAM has some 100 beneficiaries using the rotating fund of \$44,000. About 40 percent of the loans were of \$300 or less. The average size loan is about \$440. The default rate corresponding to the AID credit portfolio was 3.4%. A loan in default is defined as one in which a payment is at least 30 days late. FINAM also used funds for credit granted by the Canadian government of \$15,000.

During the year FINAM completed negotiations with IDB for a \$500,000 soft loan and \$115,000 technical assistance and operational costs grant that should become effective in early 1992. This is a significant addition to other institutional grants previously received totalling about \$300,000 from the local banks and other private companies.

As part of the subcontract between The Futures Group and the International Center for Research on Women, a permanent credit consultant, Ms. Jane Winslow, was hired and was instrumental in maintaining the credit program for low-income women microenterpreneurs during the management crisis.

In conclusion, although FINAM faced serious difficulties during the past year, it succeeded in overcoming them and managed to put in place the basic structures, staff, policies and procedures needed to meet program objectives. The fact that FINAM has been given a \$500,000 loan from the IDB presents both an opportunity and a serious challenge for FINAM over the next three years. Institutional strengthening is still necessary, regarding the amount of IDB loan that needs to be administrated with a professional staff and new offices more accessible to the poorest clients both in Santiago and in the regions. A follow-on grant, channelled through the GENESYS Project, is planned for this purpose.

## IX. HUMAN RESOURCES MANAGEMENT IMPROVEMENT

### A. Activity Data:

No. : 598-0616-513-01-01  
Source: ITT-EHR  
Amount: \$700,000 LOP  
Estimated Completion: August 31, 1992  
Implementing Agency : The Studies Foundation of the  
Faculty of Administrative and  
Economic Sciences of Catholic  
University of Chile. (UC).

B. Purpose: To assist Chile's business sector meet pent-up and increased labor demands upon the return to full democracy through the modernization of the human relations practices of Chilean companies. By promoting sound "people oriented" management approaches, the activity will contribute towards greater worker satisfaction and productivity, increased innovation, and a reduced level of conflict between management and labor. The activity has four components: (1) faculty exchanges, training, and educational materials acquisition; (2) expansion of university outreach to the business community; (3) research related to the application of modern human relations practices and to labor economics; and (4) program administration, including evaluation.

C. Status: During 1991 a second diploma program was organized with 53 applicants. Forty were selected and the program ended with 36 graduates. Compared with the 15 candidates and 13 graduates in 1990, this year the diploma took into account the previous experience and now enjoys an excellent image among the business sector in Chile. Participants come from a variety of business sectors and most of them are managers of human resources departments in personnel divisions of leading Chilean firms. The number of workshops and seminars exceeded largely targets; four research projects approved during 1990 are being developed without constraints and as scheduled, and faculty exchanges took place, all of which achieved their expected results.

During the year, two amendments were made to provide incremental funding of \$100,000 and \$150,000 for program continuation. Thus, the total estimated funding for the program has been obligated. The expiration date of this Agreement is August 31, 1992 but a request for a no cost extension with completion date December 1993 is planned. This extension is possible in part due to the revenue generated from the diploma program. An audit, consistent with the new federal audit regulations is going to be initiated in early 1992.

As programmed, Dr. Alberto Armstrong took the full direction of the diploma course. During the year, he made contact with regional authorities from Antofagasta and Valdivia, with the purpose to repeat the same diploma and organize seminars on labor productivity in those regions.

The relationship with the business leaders was formalized through the creation of "advanced groups" (Grupos de Avanzada) in 1990 which are responsible for organizing networks of general managers of key businesses. To date, two such groups (Alfa and Beta with 16 and 19 general managers, respectively) have been formed. During 1991, the program has worked with these groups more closely through workshops and consulting exercises directed exclusively to these firms. The program design was modified to favor "closed" workshops instead of seminars open to the general public.

Following a joint review of the agreement, an impact assessment was approved and was initiated in January. A questionnaire was designed and sent to 500 general managers of the main companies of the country. By the end 1991 results were being processed. This will be a useful information about the degree of achievement of the purpose of the program assisting Chile's business sector meet pent-up and increased labor demands upon the return to full democracy trough the modernization of the human relation practices of Chilean companies. However, after two years of activities, with more than 500 key business leaders participating in the program through seminars and the diploma, with a remarkable and unexpected social stability in the country due to agreements between entrepreneurs and unions, the program has undoubtedly contributed to the social stability, productivity increase and practice of "people oriented" management styles in the Chilean business community.

**X. ENTREPRENEURIAL TRAINING**

**A. Activity Data:**

No. : 598-0616-513-02  
Source: ITT-PSEE  
Amount: \$50,000 LOP  
Estimated Completion: December 31, 1992  
Implementing Agency : Fundación Chile

**B. Purpose:** The purpose of the program financed by this A.I.D. grant is to enhance the opportunity for a successful extension of the EMPRETEC program in Chile, sponsored by FUNDACION CHILE, a privately organized, autonomous, and non profit development foundation, by providing specific training to entrepreneurs who completed the EMPRETEC basic seminar and by assuring access to specialized, short-term technical assistance to support the specific needs of EMPRETEC graduates.

Training in Strategic Planning, Budgeting & Finance, Human Resources Management and other topics will help to the new small and medium entrepreneurs to gain productivity and enforce their initiatives. Also, availability of specialists will assure a greater success rate of venture starts up. The demonstration effect of successful results, in turn, will help mobilize increased collaboration and voluntary support from the Chilean business community for the EMPRETEC model in Chile.

The hypothesis to be tested in this program is that specific training (post basic seminar) and ready access to resources for specialized technical assistance for EMPRETEC clients will result in a higher success rate and increased mobilization of support from the business community in Chile as compared to the EMPRETEC programs in the other southern cone countries.

**C. Status:** This activity was officially inaugurated as part of the EMPRETEC network May 17, 1990. The activity was initiated through a \$100,000 buy-in in FY 89 to the PRE PEDS project to secure the services of the U.S. consulting firm MSI. A second A.I.D. input of a direct grant of \$50,000 was provided to serve the purpose mentioned above. The original objective of the grant - install local capacity - has been achieved.

FUNDACION CHILE is continuing the training and promotion activity for Chilean entrepreneurs involved in technology innovation. The activity has been supported by the United Nations Center on Transnational Corporations (UNCTC) and by the U.S. consulting firm Management Systems International (MSI).

UNCTC and MSI are collaborating in similar training and promotion activities being carried out in Argentina, Uruguay, and Brazil, and known as EMPRETEC. (Incipient linkages have been produced between EMPRETEC graduates (called "empretecos"), but much more needs to be done to promote joint ventures and developing trade relationships among these countries.)

As a result of a joint program review, AID/Chile and the grantee (Fundación Chile) have agreed on reformulating program activities in order to take into account the EMPRETEC experience to date. Specifically, group training workshops will be added to the individual technical assistance activities under the program. These activities will be completed during 1992.

The third seminar of the program took place in May, 1991 in Concepción with 22 participants and the active support of the local Chamber of Commerce. The fourth seminar was presented in August, 1991 in Santiago for 44 participants divided in two groups, with the support of the Santiago Chamber of Commerce. A fifth seminar was presented in December, 1991 in Valparaíso to 25 participants with the support of the local Business Corporation. For the first time, the seminar was conducted by local instructors trained by MSI. The total number of applicants for these seminars was 1756 for 91 vacancies.

During the year, only U.S. \$ 4,600 were used for technical assistance in a project introduced by a participant in the program. Due to this lack of demand of buy-in technical assistance, the program design of the Agreement needed to be reoriented and an amendment was authorized for the use of funds as described in the purpose.

The strong support of the local business community to this program, and the great number of applicants to it is a good indicator of its prestige within the Chilean Community. After an impact evaluation carried out by FUNDACION CHILE, almost 20% of the participants initiated new business after their participation in the program an more than one hundred new jobs were created. The training activities and technical assistance programmed for 1992 will consolidate the program.

AID/Chile recommends that LAC consider a regional program to create permanent linkages between EMPRETEC graduates from Argentina, Brasil, Chile, Uruguay, and possibly Paraguay.

XI. TECHNICAL-VOCATIONAL EDUCATION (CIDE)

A. Activity Data:

No. : 598-0616-513-08-01  
Source: ITT-EHR  
Amount: \$900,000 LOP  
Estimated Completion: December 31, 1993  
Implementing Agency : CIDE - The Center for Investigation  
and Development of Education

B. Purpose: This activity will establish a basis for a more effective Technical-Vocational Education (TVE) system in Chile through: (a) preparing policy studies and recommendations, developed through public/private sector consensus building, for changes in the structure, coverage and financing of TVE; (b) developing and testing modern, innovative technical training programs drawing on updated curricula and materials, and specially trained TVE instructors and administrators; (c) demonstrating, through carefully selected pilots and training activities, that quality improvement in technical education can be made rapidly and efficiently through approaches that integrate public and private sector interests and abilities; and (d) bringing about a more collaborative relationship between the business community, educators, and public officials regarding TVE.

C. Status: This grant was signed in September, 1990. However, even prior to signature of the Cooperative Agreement, two purchase orders of \$5,000 and \$20,000 during 1990, provided for a design for organizing Chile's first National Workshop ("Encuentro") on Education for Work and, secondly, the workshop itself conducted by CIDE. In September 1990, \$80,000 were obligated for initial program expenditures including a three day workshop with the participation of the Minister of Education, Minister of Labor and the business community. Funding increments were added in April 1991 (\$300,000) and March 1992 (\$300,000).

During 1991 CIDE established formal contacts with 30 Technical-Vocational Schools and with several local governments (municipalidades), business organizations and the teachers union in order to promote pilot projects. As a result of these contacts three pilot projects were initiated. The first one is a multitechnical school located in Curicó administrated by the local business community. The second one is a commercial institute held by the Catholic church in the same city and the third one is a technical school for textile industry located in La Ligua in the near north of Santiago. Pilot projects are

characterized by an active support of the business community through a technical advisor board and by the implementation of a competency based curriculum.

The business sector understands that has to play a key role formulating educational policies and helping in curriculum design to create a more productive workforce that will increase general industry productivity. A practical example is their participation in pilot projects, among other initiatives.

CIDE organized and presented five workshops to Chilean universities in order to define profiles of new teachers needed for a Technical Vocational Education with competency based orientation. In addition, CIDE presented workshops in three technical schools to develop specific curricula and three other workshops for supervisors of the Ministry of Education located in the north and in the south of the country. As scheduled, the study on curriculum design conducted by Prof. Fidel Oteiza, a participant in the 1990 group who went to Ohio State University, was finished and published.

To improve the prestige of Technical Vocational Education, CIDE organized the first Skills Olympics in Chile which was successfully held in November 1991. Almost all the technical high schools participated in this event with the active participation of the Confederation of the Production and Commerce representing the business sector, the Ministry of Education, the Catholic Church and the universities. One hundred students were selected and competed in various specialties as mechanics, electronics, textile, etc.

CIDE continued issuing a quarterly technical bulletin that is distributed to all technical schools, the Ministry of Education, the business sector and local governments.

In summary, CIDE's progress in achieving the purposes of the agreement has been very good. Of special note is CIDE's \$25,000 agreement with the Confederation of Production and Commerce (CPC) to prepare manuals and recommendations to involve effectively the businessmen in technical education. All 59 technical schools managed by CPC Technical Advisor Boards are now functioning with the active participation of local enterprises. A bilateral Board was created between the Ministry of Education and the Confederation of Production and Commerce in order to propose a new law and procedures to manage technical schools to cope with the needs of the productive and service sectors as well as with the expectations of young Chileans. A proposal was introduced to the Ministry of Education in December 1991. In addition, the Central Union of Workers (CUT) declared that improvement of TVE

is a priority and various congressmen have presented public documents for discussion on the subject. Most of them mention the productivity issue as a major challenge for the Chilean economy opened to the international market that could be improved through educational changes.

Also, objective a) "preparing policy studies and recommendations..." is being achieved by the recommendations of the bilateral board mentioned above and the study on curriculum design done by Prof. Fidel Oteiza; objective b) "developing and testing modern, innovative technical training programs..." is being achieved by a first study on information applied to Technical Vocational Education; objective c) "demonstrating, through carefully selected pilots and training activities..." is being achieved through the three pilot projects mentioned above; and objective d) "bringing about a more collaborative relationship between the business community, educators, and public officials regarding TVE", is remarkable being accomplished through the agreement between the CPC and CIDE, the Board between Ministry of Education and C.P.C., and the more than 60 Technical advising boards over the technical schools.

By year end, CIDE had completed the administrative and organizational work involved in preparing for full implementation. The CIDE unit responsible for this activity was provided refurbished office space and the key staff assignments/appointments were accomplished.

An evaluation plan has been agreed with LAC/EHR starting in November, 1991 with a mid-term evaluation. Mr. Gary Russell is conducting this process, evaluating and focusing actions in coordination with USAID/Chile and the grantee. The evaluation will end in the second half of 1992. An audit, accordingly to the new federal audit program is going to be carried out in early 1992.

## XII. ADC Training Support

### A. Activity Data:

No. : 598-0616-513-09-01  
Source: ITT-EHR  
Amount: \$83,500 through FY 91  
Estimated Completion: September 30, 1992  
Implementing Agency : Instituto Chileno-Norteamericano de  
Cultura (Binational Center - BNC)

**B. Purpose:** To assist the Binational Center (BNC) to expand its current student counseling and educational placement services to include an expertise in technical vocational education at the secondary and post-secondary level in the U.S.; to develop a resource center in Chile for technical vocational training offered in the United States in order to support Chile's skills training needs; to provide "survival" English language instruction to TVE participant trainees before departure to the United States.

**C. Status:** This cooperative agreement was initiated in FY 89 with \$33,500. A first Amendment was made to extend the performance period by one year and to expand the scope of work. This amendment obligated \$50,000. A second Amendment was made in December 1991 to extend the completion date to September 30, 1992, without extra funds.

Some problems were encountered after the Educational Advisor resigned to join Ford Foundation. However, an excellent replacement was found and is now on board. In November 1991, an evaluation of the Student Advising Department capacity to manage the program was carried out by AID/OIT office, with positive results. For early 1992 an audit following the new federal audit program is scheduled. Also, a financial management evaluation will be carried out by AID/Chile staff, focusing capacities to manage a new grant.

The pre-selection activities, in collaboration with CIDE (Center for Research and Educational Development), and Fundación Andes, consisted in to promote the participation in technical schools, recruit and select twelve grantees from the total of 51 applicants. The priority areas chosen during the September 1991 selection were in Industrial Refrigeration and Hydroponic Cultivation. Training was programmed for January-February 1992.

In May 1991 twelve Chilean representatives from vocational technical education schools, the Ministry of Education and the

business sector traveled to Washington, D.C. to observe U.S. vocational education systems and productivity related issues, through discussions with government, labor and private sector representatives. Prior to their departure the BNC held a pre-departure orientation for this group.

In December, a three week pre-departure orientation program was conducted by the BNC for the Industrial Refrigeration and Hydroponic Cultivation groups which departed in January 1992. The group received intensive English training and specific orientation. These sessions include an in-depth explanation of competency based education, a complete review of the U.S. training programs and discussions on U.S. cultural and value systems.

Related with the follow-up activities, periodic meetings were held with returning grantees. This activity was also coordinated with CIDE, focusing the follow up in which the need for local business advisory committees for technical schools was established.

During the year, BNC through its Education and Counselling Department, continued developing a documentation center on technical vocational education in the U.S. These materials include books, videos and training course information. BNC now maintains all A.I.D. information on short term training opportunities in the U.S.

A.I.D./Chile plans to continue financing this activities in FY 93/94 to consolidate the externalization of training implementation functions. Also, under future amendments, AID/Chile will incorporate provisions to enable BNC to assume third country training responsibilities. Other A.I.D. Missions would then be requested to pay a modest fee to BNC for the service currently carried out by AID/Chile regarding placement, health insurance, orientation, monitoring, and financial administration. Currently AID/Chile receives two or three students per year, but the number could be increased with appropriate promotion.

### XIII. PARTICIPANT TRAINING

**A. Budgeted Amount** - \$102,000 in FY 91

**B. Actual Training Activities and Cost** - Six participants to Ferris State University (Michigan) for Industrial Refrigeration and six participants to California State University (Chico) for Hydroponic Methods. Effective date of Training: January-February 1992. Cost to A.I.D. \$99,730.

**C. Total Number of Trainees** - 12 Technical Vocational Instructors (2 women, 10 men)

**D. Status:** In accordance with AID/Chile training goal to focus on upgrading and/or updating technical vocational education in Chile, in collaboration with the Binational Center (BNC), the Centro de Investigación y Desarrollo de la Educación (CIDE) and Fundación Andes, we recruited, selected and prepared twelve grantees from the total of 51 applicants. The priority areas chosen were in Industrial Refrigeration and Hydroponic cultivation. The program had to be organized for January-February 1992, to use instructor's leave time and not affect the normal school activities that end in December. Fundación Andes financed one third of international travel costs and the other third was financed by private sector educational corporations.

In December a three week pre-departure orientation program was conducted by the BNC for Industrial Refrigeration and Hydroponic Cultivation groups. The groups received 60 hours of intensive English training from BNC professors and 45 hours of orientation. PIET (Partners for International Training) from Washington, D.C., also collaborated in this pre-departure orientation with materials and a trainer. These sessions included an in-depth explanation of competency based education, a complete review of the U.S. training programs and discussions on U.S. cultural and value systems.

Follow-up activities were held through periodic meetings with 11 returned grantees that attended during 1990 the Ohio State University program in Competency Based Education. This follow-up activity include field observations as well as reports from the grantees on specific initiatives they took to implement competency based curriculum in technical vocational schools.

In addition, AID/Chile has coordinated centrally funded training programs. During 1991, 21 participants travelled to the George Meany Center for various labor short-term programs;

one participant attended a seminar on Stationary Source Pollution as part of the Energy Training Program; one participant attended a Telecommunications Media Management course; one participant attended a Remote Sensing course at USGS Eros Data Center; and two participants joined the Energy Study Tour organized by the United State Energy Association.

**XIV. PROGRAM FOR IMMEDIATE IMPROVEMENT OF PRIMARY HEALTH CARE (PII/PHC)**

**A. Activity Data:**

No. : 513-0350/0351  
Amount: \$10 million FY90 Supplemental  
          \$400,000 FY91  
          \$400,000 FY92  
Source: Bilateral Health  
Estimated Completion: December 31, 1992  
Implementing Agency: GOC's Ministry of Public Health

**B. Purpose:** The Grant supports Chile's Program for Immediate Improvement of Primary Health Care (PII/PHC), in particular: (a) to improve access to primary health care of the Chilean population, especially in the poorest sectors, located dispersed rural areas and marginal urban concentrations; and (b) to improve the quality and opportunity for health care services through an increase in the capacity for health care problem resolution at the primary level.

The (PII/PHC) program in Chile contains three elements. The first consists of the public infrastructure available for Primary Health Care (PHC); this includes both the primary health care centers, known in Chile as Consultorios and administered by the municipalities, as well as the human and financial resources needed to operate them. The second element is the Reinforcement Program for Primary Health Care, which began in June of 1990. In this component 24-hour Emergency Room Services (SAPUs) were added to selected consultorios, and additional funding was allocated for the pharmacies in the Consultorios. An additional aspect of the Reinforcement Program was the implementation of third shifts. The third and final component of the PII/PHC is a series of specific activities and health interventions.

**C. Status:** The non-project assistance grant agreement was signed on January 11, 1991. The Ministry of Health (MOH) submitted the Section 3.3. C.P. documentation in April, 1991, and A.I.D. formally recognized MOH compliance in May, 1991. As specified in the Grant Agreement, this process constituted the first of the five Semi-Annual Program Reviews and permitted the first disbursement of the Grant to the MOH, using the financial mechanisms established in the Agreement. The initial disbursement of \$5.8 million took place in May, 1991, and was invested in interest-bearing instruments in dollars, with all interest accruing to the PII/PHC of the MOH. The MOH began local currency program activities in April, 1991 immediately following the approval of the Conditions Precedent using a

bridge credit provided to the MOH by the Ministry of Finance (MOF). This credit was used throughout 1991. In September, 1991 an Amendment to the original Grant Agreement was signed, increasing the Grant by \$400,000 to a total of \$10,400,000. The additional funds are to be used for a pre-school feeding program managed by the "Fundación Integra."

In April, 1991 most program activities which do not require a contract, or which are carried out directly by the MOH or its dependencies began, and the first payments were made by the MOH to the HSAs in August. The HSA, as the operational unit for carrying out health activities in Chile, is the agent required to pay for all health care services either directly, or, in the case of Primary Health Care (PHC) via the local municipalities.

The Conditions Precedent required that the MOH negotiate and sign contracts with BANESTADO for the administration of interest bearing dollar and peso accounts in which the disbursed funds are to be invested until A.I.D. authorizes the conversion of the dollars to Chilean pesos for the use of the program. These contracts were signed in February, 1991, following an audit and revision of BANESTADO operating procedures carried out by Ernst and Young.

The conversion of the disbursed dollars to pesos requires the MOH to document "...public or private imports of U.S. manufactured medical or health-related equipment, materials or supplies from the United States of America, other than pharmaceuticals." The MOH began the process of determining how to obtain this documentation in February, 1991. This required meetings with the Customs Service, the Central Bank of Chile, and A.I.D. In October, after a competitive bidding process, a contract was signed with a Customs Agent to collect the necessary documentation. In November, 1991 the MOH received and began to revise the first documents of health-related imports.

The number of different activities grew steadily during 1991, as both the NGO community and the MOH bureaucracy became increasingly aware of the availability of funding. The learning process within the Ministry on the steps required to authorize the disbursement of public funds in Chile was much longer than originally expected. The public sector bureaucracy has proven to be the major cause of the delays in the local currency program, and the rapid growth in the number and type of activities funded has complicated the administrative execution of the PII/PHC.

The time needed to obtain legal authority to contract either an individual or an institution to perform a service in the Chilean public sector varies, but has rarely proven to be less than eighteen weeks. During this time any work towards the

desired objective is done only if the contractor is willing to assume the risk that the contract for the services rendered may not be approved, or that the approval may be further delayed. Until the approval process has been completed, however, there can be no disbursement of public funds. Because of these substantial administrative difficulties, the MOH had disbursed only \$1,400,000 for local currency program activities as of December 31, 1991

In October, 1991 the MOH began to prepare for the second Semi-Annual Program Review, and this Review was carried out in December. The CHS/URC contracted Dr. Nancy Pielemeier and Dr, Alfredo Solari, who spent two weeks reviewing the advances in PII/PHC activities through a series of field trips and interviews with MOH staff. Their report found that even though the PII/PHC had advanced considerably, the program was six months behind in achieving its original program goals, and recommended that the second and final disbursement of Grant funds to the MOH be postponed from January, 1992 until approximately July, 1992. In addition, they specified six additional program goals or benchmarks which must be met by the MOH in order to qualify for this second disbursement.

In December, 1990 Dr. Michael Bernhart spent two weeks in Chile, assessing with the MOH the possible forms of cooperation available with the \$500,000 of Technical Assistance included in the Grant at the request of the Minister of Health. After discussing the MOH's various areas of interest with Dr. Bernhart, the Minister of Health decided to use the Technical Assistance funds of the Grant to effect a "buy-in" from the Quality Assurance Project, for which the Center for Human Services /University Research Corp. is the principal contractor.

In March, 1991, a team of consultants from CHS/URC conducted an initial seminar on Quality Assurance methodology and its applications in PHC for the Directors of Primary Care (DAPs) from Chile's twenty-six Health Service Areas (HSAs), as well as members of the MOH's Department of Primary Health Care. The reaction by the participants and MOH staff to the seminar was extremely positive, and the PIO/T for the "buy-in" was signed in May by the MOH and A.I.D.

In July, 1991 a second series of seminars was held, organized jointly by the MOH and CHS/URC, during which a core group of selected PHC managers were trained in Quality Assurance methods, and asked to help their respective HSAs in developing small-scale projects which could lead to improved PHC delivery at the local level. Due to the complexity of the administrative procedures in the MOH, however, the contracting of the local staff proved to be unwieldy, and the MOH

recommended that the CHS/URC sign a Sub-Agreement with a local NGO, the Corporacion de Promocion Universitaria (CPU), which could assume the administrative burden of local contracting, rentals, and other local costs without involving the public sector. Following this suggestion, CHS/URC signed a Sub-Agreement for all local costs in November.

A separate \$200,000 component of the Grant also pays for a Technical Program Coordinator and a Financial Administrator, who were contracted by A.I.D. at the request of the MOH. Both contractors work in the MOH in the Office of International Cooperation (OCI), coordinating the Grant activities within the MOH and acting as liaisons with A.I.D.

XV. PRIVATE SECTOR COOPERATIVE HG PROGRAMS, I AND II

A. Activity Data:

Nos. : 513-HG-008/009  
Amount: \$5.0 million FY 88; \$5.0 million FY 91  
Source: Housing Guaranty  
Estimated Completion: HG-008: July, 94; HG-009: July, 95  
Implementing Agency : COVIP, (Corporación de la Vivienda Popular)

B. Purpose: The borrower is COVIP, a private sector coalition of cooperative housing institutions specialized in building low and medium-cost housing for their members. The program is designed to encourage COVIP to expand its involvement in the production and sale of low-cost shelter and to assist housing cooperatives to expand the production of low-cost shelter solutions nationwide and to progressively reduce the cost of their shelter solutions nationwide, enabling participating institutions to expand their production of shelter affordable to families with below-median income levels, and to expand their service coverage to cities outside the province of Santiago. Special features of HG-009 beyond those of HG-008 are: (i) a further lowering of the price range of housing units produced; (ii) that not less than 60% of the financing provided is to be used in provinces outside Santiago; and (iii) that COVIP will seek to expand its roster of participating institutions to include additional cooperatives and other NGOs in the housing development field.

C. Status: Under HG-008, a \$5 million, four year loan, originally signed with Citibank New York in 1988, was prepaid in June 1991 and replaced by an equivalent local currency, revolving, three year loan with Citibank Chile to take advantage of improved borrowing terms. Under HG-009, a local currency, revolving, four year loan equivalent to \$5 million was signed by COVIP with Citibank Chile on July 22, 1991. COVIP participating institutions are to fund the equivalent of an additional \$500,000 from own resources for each HG.

HG-008 will finance some 3,000 units throughout Chile for families with incomes below the urban medium; at year-end 1991 (3 1/2 years--or 58%--into the program) COVIP had completed or under construction 2,075 such units (69% of goal). HG-009 will finance approximately 1,800 units of diversely priced and variant construction types ranging from sanitary core/lots (\$2,423 p/u) to standard coop financed houses (\$8,400 p/u); at year-end 1991 (six months--or 31%--into the program) COVIP had completed or under construction 280 such units (16% of goal).

Approximately 18% (HG-008) and 19% (HG-009) of the units were sold to women-headed households. During 1991 the participating institutions constructed an estimated 3,968 additional units with non-program resources, resulting in a leverage factor of close to 10 to 1.

## XVI. PRIVATE SECTOR SHELTER AND URBAN INITIATIVES

### A. Activity Data:

No. : 513-HG-010  
Amount : \$40 million  
Source : Housing Guaranty  
Estimated Completion: Four years from signature of  
implementation agreement.

**B. Purpose:** This program will expand the private sector's ability to provide mortgage credit for low-cost housing, improve urban land-use, and demonstrate the viability of smaller scale environmental improvement projects initiated at the local level. At its conclusion expected outputs are:

At least three substantial private lenders established and operating in the low-income home mortgage market;

Mortgage payment insurance underwritten by private insurance companies;

Appropriately packaged mortgage backed securities, attractive to private institutional investors, being placed in the country's capital markets, thereby allowing for the refinancing of low-income mortgages;

Improved land-use planning mechanisms in place, environmental impact analysis methodologies in use, and an active program of inner city revitalization in Metropolitan Santiago and other urban areas underway;

Various demonstration projects underway throughout the country to promote initiative, private sector involvement and environmental action at the local level.

**C. Status:** The Housing Guaranty was authorized on August 9, 1991. The PRE/H Director, Peter Kimm, visited Chile in August to deliver the letter of advice to the Minister of Housing. A courtesy call was made on President Aylwin to inform him of this assistance. During the balance of 1991 work continued on the detailed design features of this multifaceted activity. A mixed public-private sector working group was established and negotiated of an implementation agreement with the GOC started. The implementation agreement is expected to be signed during the first half of CY 1992.

**IVII. REGIONAL HOUSING FINANCE TECHNICAL ASSISTANCE AND TRAINING SUPPORT**

**A. Activity Data**

No. : 518-1008-C-00-0231-00 (Contract)  
Amount: \$155,000 FY90; \$300,000 FY91; \$500,000 FY92  
Source: ITT/PSEE  
Estimated Completion: September 30, 1994  
Implementing Agency: RHUDO/SA Contract with IMCC (Buy-in)

**B. Purpose:** The RHUDO/SA support contract provides services in (a) policy analysis and formulation; (b) institutional strengthening; and (c) technical assistance in design and implementation of financial mechanism.

**C. Status:** The long term resident advisor arrived to post October 1990. AID/Chile finances 70 percent of the advisor's time, with the balance available to RHUDO/SA for support of other Missions. Through the first half of 1991, the advisor concentrated his efforts on the reformulation of HG-008, the design of HG-009 and the design of HG-010.

All design efforts were successfully completed. In the process, the advisor established close working contacts with high level GOC officials and key private sector counterparts. The design for HG-010 in particular involved innovative policy refinements to GOC housing finance mechanisms.

In November 1991, a Chilean professional was hired under this contract to work part time on institutional arrangements for implementing HG-010. Working with local counterparts a plan for a variety of short-term technical assistance efforts for all three HG's has been developed and consensus reached with RHUDO/SA.

**XVIII PROGRAM IN SCIENCE AND TECHNOLOGY COOPERATION (PSTC)**

**A. Activity Data:**

See attachment

**B. Purpose:** A.I.D.'s Program in Science and Technology Cooperation (PSTC) seeks to stimulate new and innovative scientific research on developing-country problems. The Program is administered by the Office of the Science Advisor (AID/SCI). It provides research grants which are subject to highly competitive external scientific peer review. PSTC seeks innovative research ideas that will eventually lead to solutions to serious developing-country problems.

**C. Status:** Since 1988, 11 PSTC grants, totalling \$1,364,287, have been made to Chilean universities. The six grants made since 1989 have been administered through AID/Chile. Another five pre-proposals were approved for full proposal consideration during 1991.

AID/Chile supports the PSTC activity because of its cross cutting concern of resumption of Chile's role as a center of excellence in education and technical assistance for the LAC region. Most of the grants awarded have built-in linkages with LDC based institutions and universities.

All PSTC awards have been to one of Chile's three "traditional", or established, universities: (Catholic University, 5; University of Concepción, 4; and University of Chile, 2). In order to promote under participation in future PSTC awards, AID/Chile requested AID/SCI to arrange the assistance of BOSTID to promote proposals from Chile's smaller, decentralized universities. In December, 1991 four grantsmanship workshops were held in different regions of the country with two outside experts arranged by BOSTID. Approximately seventy researchers from 14 different institutions attended. These workshops also help disseminate information on the revised PSTC guidelines that incorporate new priorities related to the environment.

Over 45 PSTC pre-proposals (including the separate joint Israel Cooperative Development Research program) were sent to AID/W in January, 1992 for the current year competition. The regional, or non-traditional, universities accounted for 28 of the pre-proposals. Of the total, six pre-proposals were related to the environment.

During the year, AID/Chile raised with AID/SCI the question of applying the new requirements for Non Federal Audits to the grant administrated locally. No response has been given to the inquiry and no funds have been provided for such audits.

SCIENCE GRANTS UNDER THE PROGRAM IN SCIENCE AND TECHNOLOGY COOPERATION (PSIC)

<u>PSIC NO/TOPIC</u>	<u>DATE</u>		<u>PROJECT OFFICER</u>	<u>GRANTEE</u>	<u>PRINCIPAL RESEARCHER</u>	<u>AMOUNT (US\$)</u>	<u>DISBURSE- MENTS</u>	<u>LINKAGE</u>
	<u>Agreement</u>	<u>Completion</u>						
7.079; Saccharification of Lignocellulosic Materials by Brown-Rot Fungi: Mechanisms and Potential Applications	Aug 30, 88	Aug 31, 91	John Kadyszewski SCI	Catholic Univ.	Dr. Eduardo Agostin	150,000	145,800	Univ. of Chile, Instituto Centrodmericano de Investigación y Tecnología Industrial (ICATII), Guatemala
7.334; Bases for the Separation of Light and Dark Tissue from Pelagic fish	Aug 29, 88 (started in July, 1989)	Aug 28, 90	M. Rechrigl SCI	Catholic Univ.	Eng. José M. Aguilera	20,000	12,900	Washington Univ. at St Louis
7.068; Gene Expression of Thermo tolerance and Injury Resistance in Underused Trees, Prosopis Chilensis, Araucaria	Aug 30, 88	Aug 31, 91 (Feb.28.92)	Mike Bengé S&T/FENR	Univ. of Chile	Dr. Lihiana Cardemil	149,820	149,820	
7.404; Role of Hydroxamic Acids in Cereal-Aphid Interactions	Aug 30, 88	Aug 31, 91		Univ. of Chile	Dr. Hermann Niemeier	149,000	149,000	Univ. Nacional de Colombia Univ. Simón Bolívar, Venezuela Univ. Nac. Agraria La Molina, Perú International Potato Center, Perú
8.051; Utilization of Hydrocarbon Producing Plants Native in Arid Areas	Aug 29, 88 (started in January, 1989)	Sep 30, 90 (Aug.31.91)	Alberto Sabadell S&T/EY	Univ. of Concepcion	Dra. Sara Gnecco	42,310	42,310	Western Regional Research Center, California U.S.A.
6.537; Salmonella Typhi Poring in the Control of Typhoid Fever	July 7, 89	Dec 31, 92	Harvey Hortik S&T/AGR	Catholic Univ.	Dr. Federico Leighton	150,000	125,788	Illinois Univ./Calif. U. at Berkeley (Cambridge Univ./ Univ. of Malasia Pasteur Institute, France Int. Dev. Research Cent., Canada
8.007; In vitro Propagation and Improvement of Fruit Species with Economic Potential for Semi-Arid zones	June 15, 89	Dec 31, 92	Harvey Hortik S&T/AGR	Catholic Univ.	Dr. Miguel Jordan	148,000	91,153	Univ. of California Southern Illinois Univ.

9 386; Evaluation of the Genetic Stability and Potential of a Low Alkaloid Strain of Tarwin	June 30, 89	Dec 31, 92	Robert Schaffert S&I/AGR	Univ. of Concepcion Von Baer	Dr. Dietrich 106,150	86,003	Univ. San Simon, Bolivia Univ Fed., R de Janeiro, Brazil PISA/INIPA Center, Peru	
11.185; Immunologic control of bacterial kidney disease in salmonids	Aug.28, 91	June 30, 95	Lamar Trott	Univ. of Concepción Klemppau	Dr. Alfredo 149,050	12,314	Univ. de California, U.S.A. Univ. de Leon, Spain	
11.196; Axial-flux generators for micro-generating stations.	Aug.28, 91	June 30, 95	Anthony Tummarello	Univ. of Concepción Wallace	Dr. Roger 149,987	19,204	Univ. of Wisconsin-Madison, U.S.A. Univ. of Costa Rica	
11.373; Thermoset composite gels as structured foods.	Aug.28, 91	June 30, 95	Sam Kahn	Catholic Univ.	Dr. Jose M Aguilera 149,970	36,065	Univ. Autonoma Gabriel René Moreno, Bolivia Univ. Ambato, Ecuador	
<b>TOTAL APPROVED</b>							<u>1,364,287</u>	
<b>Approved PSIC Proposals</b>								
12.287; Cloning of genes related to thermotolerance and resistance to wound stress of two trees of Chile				Univ. of Chile	Dr. Lilliana Cardemil 150,000		U Nacional de San Marcos, Peru Washington U. at St Louis, U.S.A.	
12.298; Improved sporulation in tri-choderma for biopesticide production				Catholic Univ.	Dr. Eduardo Agosin 146,300		Estacion Experimental, La Platina, U de Chile	
12.458; Conversion of wood wastes into plastic materials				Univ. of Concepción Baeza	Dr. Jaime 149,000		Inst. Tec. de Cartago, Costa Rica, Clemson Univ. S Carolina, U.S.A.	
12.560; Biotechnological trans-formation of residual products from Chile paper factories into high commercial value steroids and pharmaceutical useful compounds				Univ. of Concepción Silva	Dr. Mario 148,800		University Central, Quito, Ecuador	
12.608; In vitro propagation and rubber bioinduction in euphorbia species				Univ. of Concepcion Gnecco	Dr. Sara 149,600		Western Regional Research Center, California, U.S.A.	
<b>TOTAL</b>							<u>743,700</u>	