

BA 81437

**AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C.**

**PROJECT MEMORANDUM**

**NEW INDEPENDENT STATES: EXCHANGES AND TRAINING  
(110-0012)**

**Approved: February 12, 1993**



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

FEB 12 1993

Director  
Task Force  
for the New  
Independent States

**ACTION MEMORANDUM FOR THE DIRECTOR, NIS TASK FORCE**

THROUGH: Barbara Turner, Deputy Director, NIS Task Force *BT*

FROM: Carlos Pascual, NIS/TF/PAC *CP*

SUBJECT: Authorization Request for the NIS Exchanges and  
Training Project (No. 110-0012)

**PROBLEM:**

Your approval is required to authorize the New Independent States (NIS) Exchanges and Training Project (NET) at a life-of-project funding level of \$90.0 million. The Project Assistance Completion Date (PACD) will be December 30, 1997.

**BACKGROUND:**

Despite relatively high educational attainment, NIS graduates lack many of the skills, attitudes and practices required for successful transition toward participatory democracy and free market economies. Therefore, training has been a central theme in AID's NIS program since its inception. Through the provision of training and the sharing of American expertise and technology which expose a broad range of NIS leaders to US models as well as technical and management practices, we are able to reinforce NIS efforts towards creating open political and economic systems based on freedom and participation. Also in this manner, we are able to promote trade and investment linkages. Until now, individual sector programs have been charged with these tasks.

Section 807 of the FREEDOM Support Act (FSA), which earmarks \$50 for exchanges and training, was the catalyst for the creation of a new project to supplement sectoral resources and create centralized mechanisms for the accomplishment of this broad objective. This Project will obligate \$30 million of the funds earmarked under Section 807 during Fiscal Year 1993. The remaining \$20 million was transferred directly to USIA for a

secondary school exchange program.

Following the passage of the FREEDOM Support Act, the Coordinator's Office (S/NIS, formerly D/CISA) assumed responsibility for programming the funds available under Section 807. After consultations with various U.S. Government agencies and with selected representatives of the U.S. education and training community, S/NIS developed and reported to the Congress an illustrative allocation of funds among agencies and programs. Annex A contains a summary of these allocations.

**PROJECT DESCRIPTION:**

The Project goal is to facilitate the rapid and sustainable transformation of NIS countries from authoritarian, centrally-controlled regimes to pluralistic, democratic countries with market economies. The Project purposes are to 1) equip current and future NIS leaders with skills and experience needed for solving short-term problems and for guiding their nations' successful transition to democratic governance and market-driven economic growth; and, 2) build sustainable U.S.-NIS human and institutional linkages which can facilitate trade, investment and cooperation on global issues of mutual concern.

To achieve the above, the Project will fund exchanges, training (both short and long-term) and institutional partnerships supportive of on-going economic and political transformation processes in the NIS and of specific sectoral objectives. Project activities will, to the maximum extent possible, reflect the intent of the legislation and other applicable foreign policy guidance. Project activities will occur in the United States where NIS leaders can receive not only skills training, but also exposure to U.S. management techniques, institutional arrangements, and economic and political systems.

In accordance with the FSA and the S/NIS Report to Congress, A.I.D.-administered training programs utilizing FY 1993 funds will include short and long-term training for NIS Leaders including agribusiness training, advocacy training for disabled, handicapped and special education groups and training provided by USG and state government agencies. A.I.D. will also administer a Private Sector Proposal Fund. Specific training activities in subsequent years will be determined on the basis of emerging priorities and experience gained/lessons learned through Project activities.

FY 1993 funds will also fund an Inter-Agency Agreement (IAA) with USIA for the following programs: graduate and undergraduate programs, Sister University program, local and regional self-government exchanges, private sector exchange fund and various FREEDOM Support Grants.

**PROJECT ISSUES:**

The project was formally reviewed by the Task Force with participation from the Office of Management and Budget, the State Department, USIA, the Department of Commerce, the U.S. Department of Agriculture and other interested agencies. There was a consensus to proceed quickly to authorize and implement the project. However, a number of concerns were raised which will require attention during project implementation.

1. Identifying and Responding to Priorities.

Review participants urged that A.I.D. create a mechanism for ensuring that the exchanges, training and partnership programs provided under the project be increasingly "demand driven," i.e., that they address important transformation problems, particularly those identified in the field, and that future year activities incorporate experience gained over the course of the project.

The interagency group discussed the degree of flexibility A.I.D. could maintain in the context of the legislative mandate and other applicable guidelines, e.g., the S/NIS report to the Congress. It was agreed that the allocation of earmarked FY 93 project funds among agencies should follow that provided in the S/NIS report to Congress, but that funds allocated to A.I.D. should be used for a range of activities including, but not necessarily limited to, the specific activities and training providers included in that report.

It was also agreed that to the extent possible, training administered by other U.S. Government agencies will support/complement sectoral assistance. To ensure that project activities become increasingly demand-driven, the participants also urged that the Project Memorandum more clearly describe planned systems for field assessment of appropriate project targets and for participant and partnership monitoring, follow-up and evaluation. These recommendations were incorporated in the Project Memorandum.

## 2. Comparative Advantages of Various U.S.G. Agencies in Program Administration.

Several participants emphasized the need for a clear distinction between the objectives and target groups of individual agency programs, e.g., A.I.D. and USIA. It was agreed that A.I.D. will focus on professional and technical training and institutional partnerships supportive of its on-going and planned sectoral programs -- it is expected that short-term, non-degree programs will form the bulk of A.I.D. training efforts. USIA, by contrast, will primarily fund longer-term (one-year or more) academic training, much of it more general (e.g., economics, management, law, political science) than that financed directly by A.I.D. The Project Memorandum now reflects this perspective.

## 3. Implementation Steps.

In developing this project, DIHHR has consulted and shared project documentation with A.I.D.'s four field missions. DIHHR has incorporated their views, to the extent feasible. Missions have expressed strong interest in utilizing the project and are expected to make strong demands upon it.

In order to respond quickly to training needs and until a direct NIS contract or cooperative agreement has been negotiated and signed, AID-administered training will be accessed through the AID/W, Office of International Training contract. The NIS contract or cooperative agreement will be required to set up regional training support centers in the field subject to appropriate country clearance and will be responsible for the recruitment, selection, placement and monitoring of participants. Furthermore, the contractor will be responsible for designing and implementing a participant tracking system. All participating agencies under the project will be expected to utilize the tracking system to facilitate reporting requirements.

## LEGISLATION AND AUTHORITY:

The FREEDOM Support Act (FSA) and the FY 1993 Appropriations Act (P.L. 102-391) contain several provisions that limit assistance or require the Executive Branch to take into consideration certain factors in providing assistance. Section 907 of the FSA bars United States assistance to the Government of Azerbaijan unless the President determines and reports to Congress that the GOA is taking demonstrable steps to cease all blockades and other offensive actions against Armenia and Nagorno-Karabakh. Thus the

GOA will be eligible for assistance under this project only after the determination has been made. Assistance may still be provided to Azerbaijan, so long as it is not provided to the GOA.

The Appropriations Act bars obligations of more than 50% of aid (other than humanitarian assistance) to Russia until the President certifies substantial progress toward establishing a timetable for withdrawal of CIS and Russian armed forces from the Baltics. If the President has not so certified by June 1, 1993, then no assistance may be obligated. PAC and DIHHR are establishing a system to monitor obligations to ensure compliance with this requirement.

Section 498A (a) of the Foreign Assistance Act of 1961, as amended (FAA), sets forth a number of matters that are to be taken into account in providing assistance to NIS countries, such as progress toward democracy and economic reform, human rights, peaceful resolution of ethnic disputes and restraining arms transfers. Section 498A (b) prohibits aid to any NIS country that violates any of a number of restrictions relating to matters such as human rights, arms control, nuclear proliferation, and, with respect to Russia, withdrawal from the Baltics. The Secretary of State as Coordinator has reviewed memoranda dealing with these statutes for Armenia, Georgia, Kazakhstan, Russia, and Ukraine and decided to proceed with assistance to these countries. State advises that memoranda for the other countries are in process, and the actual obligation of aid to them will be subject to approval of these memoranda.

Section 599 of the FAA sets forth restrictions on assistance which could have an adverse impact on U.S. employment or on workers' rights in the recipient countries. GC and PAC are developing standard clauses which will be incorporated in PIO/Ts for all grants and contracts and in Interagency Agreements to ensure compliance with this section.

The Secretary of State signed a Section 620(f) determination to permit assistance for the states of the former Soviet Union on September 10, 1991. You have the authority to authorize this project pursuant to Interim Reorganization Delegation of Authority No. 10, dated March 30, 1992. The Congressional Notification for the project expired on January 1, 1993.

A justification to authorize a waiver of the Handbook 10, Section 16C requirement for Host Government or other non-AID funding of international travel for participants for all NIS regional



ACTION MEMORANDUM  
Project Authorization  
Project No. 110-0012  
Page 6 of 6

Clearances: (Project No. 110-0012): *Stucker*

AID:

NIS/DIHR:GDonnelly <i>gd</i>	Date <i>1/27/93</i>
NIS/PAC:PMatheson <i>PS</i>	Date <i>1/27/93</i>
NIS/PAC:CPascual <i>PK</i>	Date <i>1/28/93</i>
NIS/FA:BKline <i>BAK</i>	Date <i>1/27/93</i>
NIS/OD:JWinn <i>EW</i>	Date <i>1/28/93</i>
OP/CC/N:JKryschal <i>Substance</i>	Date <i>2/11/93</i>
GC/NIS:TGeiger <i>Ja</i>	Date <i>1/27/93</i>
NIS/OD:LCrandall	Date

STATE:

D/CISA:CRufenacht <i>imr with changes</i>	Date <i>2/12/93</i>
EUR/ISCA:NCook <i>MC with changes</i>	Date <i>2/12/93</i>

PROJECT AUTHORIZATION

Name of Country: Newly Independent States (NIS)  
Name of Project: NIS Exchanges and Training  
Number of Project: 110-0012

1. Pursuant to Section 807 of the FREEDOM Support Act of 1992, Chapter 11 of part I of the Foreign Assistance Act of 1961, as amended, and the heading "Assistance for the New Independent States of the Former Soviet Union" of the Foreign Operations, Export Financing, and Related Programs Appropriations Act for 1993, I hereby authorize the NIS Exchanges and Training Project involving planned obligations of not to exceed \$90,000,000 over a five year period from the date of the first obligation, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs of the project. The planned life of project is through December 30, 1997.

2. The Project consists of training and exchanges in support of the sustainable transformation of NIS countries from authoritarian, centrally-controlled regimes to pluralistic, democratic countries with market economies.

3. The Project Agreements which may be negotiated and executed by the Officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

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4. Source and Origin of Commodities, Nationality of Services

Commodities financed by A.I.D. under the project shall have their source and origin in the NIS countries, countries included in A.I.D. Geographic Code 941, or the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities and services shall have the NIS countries, countries included in A.I.D. Geographic Code 941, or the United States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the project, except as A.I.D. may otherwise agree in writing, shall be financed only on flag vessels of the United States.

*Malcolm Butler*

Malcolm Butler  
Director  
New Independent States Task Force

Date

Clearances (Project No. 110-0012):

A.I.D.:

NIS/TF/DIHHR:GDonnelly	<i>in draft</i>	Date	<i>1/27/93</i>
NIS/TF/PAC:CPascual	<i>OK</i>	Date	<i>1/28/93</i>
NIS/TF/PAC:PMatheson	<i>PM</i>	Date	<i>1/28/93</i>
NIS/TF/OD:JWinn	<i>RA</i>	Date	<i>1/28/93</i>
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OP/CC/N:JKryschtal	<i>substance</i>	Date	<i>2/11/93</i>
NIS/TF/EET:DLong	<i>DL</i>	Date	<i>1/28/93</i>
NIS/OD:BTurner	<i>BT</i>	Date	<i>2/11/93</i>
NIS/OD:LCrandall		Date	

STATE:

STATE/EUR/ISCA:NCook	<i>MC with changes</i>	Date	<i>2/12/93</i>
STATE/D/CISA:CRufenacht	<i>CR with changes</i>	Date	<i>2/12/93</i>

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**EXECUTIVE SUMMARY**  
**Project Memorandum**  
**NIS Exchanges and Training Program (NET)**  
**Project No. 110-0012**

Although levels of schooling in the NIS are high, the people lack many of the skills, attitudes, traditions, basic organizations and institutions on which free market economies and democracy must ultimately rest. The NIS Exchanges and Training Project (NET) will address this problem by providing substantial numbers of current and future NIS leaders and professionals with practical knowledge about and experience with market economies and democratic governance so that they might have the skills and attitudes required to create similar policies and institutions in their own nations. The project will also seek to develop lasting U.S.-NIS linkages which will facilitate trade, investment, technology transfer and cooperation on global political and economic issues of mutual concern. The project will support four broad types of activities and, during the first year, the following activities:

- Short-Term Training: a program of training for NIS public and private sector leaders and professionals in the U.S. in a variety of technical areas (e.g., economic policy, financial structures, health, housing, private sector initiatives, the environment, agri-business);
- Long-Term Training: programs for NIS leaders and professionals, as well as USIA-administered undergraduate and graduate programs;
- Institutional Linkages: a USIA-administered Sister Universities Program and an A.I.D.-administered fund for grants to private sector organizations for collaborative programs with similar NIS institutions.
- Exchanges: USIA-administered short-term grants for local and regional NIS government officials to observe how U.S. local/regional governments function, as well as U.S. trips for other key national and other officials and a fund for grants to private sector organizations for carrying out U.S.-NIS private sector exchanges.

A.I.D. will utilize inter-agency agreements to transfer funding to other USG agencies for some of these programs. A.I.D.-administered programs will be managed by a contract or cooperative agreement. Life of Project funding over five years is \$90 million, with at least \$30 million to be obligated in FY 1993. First year funds will yield the following outputs:

- 250 exchanges of NIS local and regional officials completed;
- Short-term training completed by approximately 700 persons;
- Long-term U.S. training completed by 400 participants, and
- Numerous linkages established between NIS participants/institutions and "partnering" U.S. institutions.

## Project Memorandum

### SUMMARY INFORMATION

Project Title: NIS Exchanges and Training (NET)  
Project Number: 110-0012  
LOP Funding: \$90 million NIS Grant  
FY 93 Obligation: \$30 million  
Final Obligation: FY 1995  
Estimated Completion Date: December 30, 1997

### **I. PROJECT PURPOSE**

(A) To equip a broad base of current and future NIS leaders and professionals with specialized skills, practical knowledge and new attitudes needed to develop and support free enterprise and democratic governance.

(B) To build sustainable U.S.-NIS human and institutional linkages which will facilitate trade, investment, technology transfer and cooperation on global political and economic issues of mutual concern.

### **II. BACKGROUND AND RATIONALE**

Although the economic policies of the former Soviet Union have been discredited, the Soviet system has nonetheless succeeded in developing an educated work force with more Ph.D.'s per capita than the U.S., particularly in specialized scientific and technical areas. However, this work force lacks many of the skills, attitudes, traditions, basic organizations and institutions on which democracy and free market economies must ultimately rest.

Most of these deficiencies within the Soviet system derive from 75 years of isolation. That isolation limited the ability of even the best-educated Soviets to view objectively or to experience Western, free market democracies. As a result, the population has little comprehension of many of the basic tenets of capitalist systems, including, for example, the roles prices and markets play, the rights and responsibilities of individual citizens or groups within a democracy, or the role of elected local governments in promoting private sector development.

Providing training and exchanges to current and future leaders and professionals so they might experience first hand how a free market democracy functions will assist in the skill-building

process necessary for both institution building and nation building. Priority areas of exchanges and training are cited below.

Economic/Institutional Restructuring:

- business and public administration
- market economics
- investments
- trade
- taxation
- privatization
- capital market development
- banking
- agribusiness
- accounting
- housing
- education
- science and technology
- non-medical disciplines in the health sector, including public health, health economics and finance and social marketing of health concepts and practices
- environmental protection and management, including resource economics and environmental health
- energy management, particularly to reduce demand and/or environmentally sound technologies

Democratic Institution Building:

- representative government and local government development
- political science, particularly as it relates to the roles of individual citizens and of public and private institutions in formulating public policy
- law and legal systems, particularly as they relate to protecting basic civil liberties and private property.

Attitudinal change will also be critical. Seventy-five years of socialism have diminished entrepreneurial spirit and individual initiative. Citizens as well as leaders are openly cynical of markets, mistrustful of profit-making firms and doubtful about the ability of the public and private sectors to forge partnerships to improve the quality of life, or to expand personal and professional freedom for the average citizen. Government officials typically see their role as one of controlling the production and distribution of goods and services rather than providing the necessary guidelines and incentives for private sector initiative and responsibility.

For these reasons, NIS leaders and professionals need exposure to and training in alternative models of successful public/private cooperation; in the creation of jobs and incomes through investment and other incentives; in local governments facilitating private sector development, and in urban and

regional service delivery.

Recognizing this daunting task, the Congress earmarked \$50 million of FY 1993 funds in the FREEDOM Support Act for exchanges and training for NIS citizens. That legislation (Section 807) further stipulates

-- that \$20 million be provided to the U.S. Information Agency (USIA) for the conduct of a major program of high school exchanges; this transfer was completed outside this project.

-- that the balance of \$30 million for exchange and training programs be administered by A.I.D. and other USG agencies having specialized training capacity and that USIA should administer all "exchange" programs.

The project described below has a five-year life and an estimated life-of-project cost of \$90 million, which includes \$30 million earmarked in the FREEDOM Support Act for FY 1993. The project contemplates that an additional \$60 million will be made available in FY 1993 and/or in future years for exchange and training programs furthering the project's objectives. Some of these funds may be made available from other NIS Task Force sectoral programs.

It is anticipated that the project LOP will be obligated over three years (FY 1993-95) but that funds will actually be expended over a five-year period. This will allow the initiation of long-term academic training, as needed, as late as year three of project implementation.

### III. OBJECTIVES

The NET project's goal is to facilitate the rapid and sustainable transformation of NIS countries from authoritarian, centrally-controlled regimes to pluralistic, democratic countries with market economies.

As indicated above, the project has two purposes:

(1) To equip a broad base of current and future NIS leaders and professionals with specialized skills, practical experiences and new attitudes needed to develop and support free enterprise and democratic governance, and

(2) To build sustainable U.S.-NIS human and institutional linkages which can facilitate trade, investment, technology transfer and cooperation on global issues of mutual concern.

Although training of large numbers of participants in the U.S. is often considerably more expensive than providing training by U.S.

professionals in the target country, training provided through this project will be in the United States. The preference for U.S.-based training is based on a perceived need to take leaders and professionals temporarily out of an environment that was hostile towards Western techniques, approaches and attitudes and to show them first hand that such techniques and values can lead to desirable results. Such training will often be followed-up by visits of U.S. public and private sector professionals to the NIS to reinforce and evaluate the learning and attitudinal change that has occurred and to help create long-term individual and institutional linkages. The project will not finance third country training except in connection with U.S. training, or where specific objectives (e.g. demonstration of social marketing of family planning programs) cannot be met in the U.S. alone.

Preference will be given to training recipients and suppliers seeking to create or sustain linkages and willing to contribute to the financing of the program. The large number of inquiries and proposals directed to A.I.D. from public and private sector U.S. training suppliers suggests that many see long-term professional and financial interests in developing and nurturing linkages with the NIS. Working with such institutions willing to commit some of their own resources to program activities will permit project resources to be maximized and will facilitate the development of long-term linkages.

#### IV. PROJECT DESCRIPTION

##### A. INTRODUCTION

The NIS Exchanges and Training project was developed as a flexible means to provide exchanges and training that will support the transition to free market economies and democratic governance. To the extent possible, training activities will respond to needs identified by NIS countries, A.I.D. and other U.S.G. agencies participating in the project. The nature of these activities may change over the five year life-of-project.

The program will be administered, in close collaboration with the State Department (S/NIS, formerly D/CISA and EUR/ISCA), by A.I.D. and other U.S.G. agencies with competence and experience managing the types of exchanges and training needed. For example, A.I.D. will primarily administer programs providing short-term, high impact technical training focusing on specific development problems. A.I.D. will target professional areas such as business and public administration, public health administration, urban planning, environmental management, etc. USIA will administer exchanges and longer-term training in broader, primarily liberal arts areas of political science, law, economics, education, etc. USIA will also administer a local and regional government program specified in the legislation.

Close collaboration will be maintained between the project implementors, S/NIS, EUR/ISCA, the NIS/TF sectoral offices and the field missions to ensure that training and exchange activities provided under this project remain highly-focused and demand-driven. Also, in order to complement sectoral activities, training design will take into account sectoral priority needs which maximize linkages with sector technical assistance activities.

Training will take place in the United States in order to expose NIS participants to a rich experience of culture and society, to democratic governance and to a free market economic system. Types of training to be utilized include classroom, short courses, internships, on-the-job training and observation tours.

#### B. Project Assistance

The project will employ four broad categories of activities, i.e., short-term training, long-term training, institutional linkage programs and exchanges, for the accomplishment of project objectives. Project activities utilizing FY 1993 funding are described below. Specific activities for future year funding, pending the availability of funds, will be determined based on emerging priorities and experience gained/lessons learned through Project activities.

1. **Short-Term Training.** In individual increments, short-term training is designed to respond to specifically identified needs by plugging experience and technical gaps and thus facilitating solutions to immediate problems facing NIS public and private leaders and professionals. In combination, a series of related courses, ideally administered by the same training institution, can also build the human and institutional base, while creating lasting linkages with U.S. institutions. Illustrative examples of short-term training programs include:

- Short-term courses for public and private sector NIS leaders and professionals in a variety of technical fields such as health, private sector initiatives, housing sector reform, banking, agribusiness, special education, etc. This will include training programs which access the training capability of other U.S.G. agencies in such areas as census taking, environmental risk assessment, diplomatic training, etc.

2. **Long-Term Training.** Long-term training is most effective in building the human and institutional base and in building lasting linkages among U.S. and NIS individuals and institutions. Long-term training financed under the project will primarily target post-graduate programs, particularly M.S.-level, in areas not currently available in NIS institutions. Long-term

training programs will give particular attention to training of trainers, i.e. ensuring that NIS educational institutions have the capacity to bring about needed curriculum changes within their own academic systems. Illustrative long-term training programs include:

- An A.I.D.-administered program for NIS leaders and professionals designed to build a cadre of public and private sector individuals with strong grounding in free market principles and close ties to U.S. institutions. Target training sectors will be those areas most closely related to the success of on-going technical assistance programs.

- USIA-administered undergraduate and graduate programs designed to increase the pool of NIS individuals with skills in economics, business, law and public policy-related disciplines.

3. **Institutional Linkage Programs.** These programs will support the human and institutional foundations of market-led economies, as well as build lasting networks among U.S. and NIS institutions. They will support the "partnering" of U.S. and NIS universities, professional and trade associations to establish market-driven, financially sustainable programs in technical and other areas critical to the long-term success of NIS economies. Examples of institutional linkage programs include:

- USIA's Sister Universities program, which will foster relationships emphasizing institutional/administrative strengthening and development of new academic programs in law, business, education, economics and public policy/public administration.

- An A.I.D.-administered private sector proposal fund is expected to make limited grants to U.S. private organizations. In administering the fund, A.I.D. will give preference to organizations which have already established collaborative programs with NIS partners and that have strong potential to become financially sustainable within a relatively brief period of time. (The requirement that proposals build upon and strengthen linkages may, from time to time, be set aside to allow funding of proposals which portend clear and important contributions to the economic and political transition or to the preservation of stability in the NIS.)

(Annex B provides additional information on all of the above-described programs.)

4. **Exchanges.** Exchanges can be particularly effective in

fostering attitudinal changes in target groups and in building sustainable long-term human and institutional linkages. They can also set the stage for longer-term training and technical assistance efforts. Examples of exchanges anticipated may include:

- Short-term grants for local and regional NIS government officials to enable them to observe first hand how local governments function in the U.S. and to see how U.S. local and regional governments have solved specific problems.
- Short trips to the U.S. by key national and other officials for orientation or other programs that further U.S. assistance goals. This type of exchange would be administered through the establishment of a FREEDOM Support Grant Fund in each participating NIS Embassy, to be administered by USIA.
- Along the lines of the A.I.D.-administered Private Sector Proposal Fund, USIA will administer a Private Sector Exchange Fund. This Fund will make grants to U.S. private organizations which demonstrate the capability to carry out U.S.-NIS exchange programs.

**B. Anticipated Accomplishments**

Following the expenditure of the first \$30 million of project funds, A.I.D. anticipates that the outputs achieved will include:

- 250 local and regional officials participated in exchanges.
- Short-term training in the United States completed by approximately 700 participants.
- Long-term training in the United States completed by approximately 400 participants.
- Numerous linkages established between NIS individuals/institutions and partnering U.S. educational institutions.

These figures will vary depending on the amount of contributions leveraged from partner training institutions. (For additional details, see attached Logical Framework.)

By the end of the current five-year life-of-project, the project will have:

- Facilitated the solution of specific short-term problems in target sectors by plugging experience and knowledge

gaps resulting from decades of Soviet isolation;

-- Fostered in the target group of NIS public and private sector leaders and professionals an attitudinal transformation from that of managers of autocratic command economies to that of facilitators of democratic, market-oriented systems.

Over the longer-term (5-15 years) the exchanges and training financed under this project will have:

-- Assisted individual NIS republics to build the human and institutional foundations necessary for sustained, market-driven economic growth;

-- Built a multiplicity of linkages between and among U.S. and NIS individuals and institutions which will outlast the political and economic vicissitudes of NIS transformation.

## V. IMPLEMENTATION PLAN

### A. Other Agency Programs

A.I.D. will enter into Inter-Agency Agreements (IAAs) with USIA for the implementation of a number of project elements. The I.A. will cover undergraduate and graduate programs; the sister universities program; local and regional self-government exchanges; the Private Sector Exchange Fund and the FREEDOM Support Grant Fund.

### B. A.I.D. Administered Programs

#### 1. Phasing to Expedite Implementation

A.I.D. administered programs will be implemented in two phases:

Phase One: To expedite project implementation, training under the NET project for most of FY 1993 will be administered through the Office of International Training (OIT) contract with Partners for International Education and Training (PIET). By accessing the PIET contract through funded PIO/P's and buy-ins, the NET project can begin immediately to process and place candidates for short-term and long-term training in the United States. The DIHHR office has already had extensive discussions with OIT and PIET staff, who are ready to assist in launching training activities as early as January 1993.

PIET is a long-standing and experienced contractor, with an extensive capability to make arrangements with training providers in the United States and to provide orientation, insurance, allowances and other U.S.-based support to participants. PIET also will be able to assist with field-based training support (e.g., screening candidates, language testing, travel

arrangements, etc.), either directly or through one or more subcontracts with organizations already providing similar support to the NIS.

Phase Two: For the remainder of FY 1993 and subsequent years of the project, the NIS Task Force will establish its own direct contract or cooperative agreement to manage all aspects of A.I.D. training. We will look to the Contractor/Grantee to provide the following kinds of services:

- Identifying training needs in target sectors and designing corresponding training programs, as required, across the NIS in collaboration with the Country Team, NIS Task Force sectoral offices, S/NIS, EUR/ISCA and other U.S.G. agencies, as appropriate.
- Recruiting candidates and providing recommendations for A.I.D. candidate selection. Placing selected candidates in appropriate training programs.
- Providing logistics/administrative support to participants, both in the field and in the U.S. (e.g., travel arrangements, insurance, medical exams, language testing, orientation, etc.).
- Arranging for and funding English language training where appropriate.
- Gathering basic statistics on educational attainment, for a rolling analysis of blank spots in each NIS republic.
- Reviewing unsolicited proposals and awarding sub-grants for training activities.
- Monitoring trainee performance.
- Preparing PIO/Ps.
- Implementing a participant tracking system.
- Coordinating and/or arranging follow-up training programs.

The current PIET contract will expire September 30, 1993, and will be re-bid within the next six months. While a number of the services outlined above could be efficiently provided by PIET or its successor, the rationale for instituting a NIS-specific contract or cooperative agreement is persuasive:

- Given that the PIET contract has to be re-competed, the NET project may face a hiatus while PIET phases out and a new organization phases in. Even if PIET wins the follow-on procurement, a period of uncertainty is likely. If the NIS

Task Force proceeds now with its own direct procurement for the NET project, a new organization could be up and running within a few months.

- There is a great deal of interest within the education community -- and particularly in institutions with NIS connections -- in providing training services to the NIS. A NIS-specific cooperative agreement could respond directly to this interest. Also, a NET project-specific grantee or contractor is more likely to attract bidders with Russian and other NIS language competence, as well as NIS experience than would be the case through an OIT-let contract.

- A NIS-specific contract or cooperative agreement can be crafted to directly respond to NIS training needs. An OIT-let contract might not be able to provide certain services which would be desirable for an NIS activity -- e.g., capacity to review unsolicited training proposals and issue and monitor sub-grants for these.

DIHHR will begin immediately to draft a limited competition RFP for the NET project. A core element of a direct contract or cooperative agreement will be the setting up of three regional training support centers in the field (one each associated with Missions in Moscow, Kiev and Alma Ata) to handle the selection, processing and follow-up of participants. Personnel associated with these training support centers will be subject to country clearance from the appropriate embassy and concurrence from AID. (Other U.S.G agencies will be able to buy-in to these services if they so choose.) This logistical support would be critical, given the tremendous workload and staffing shortages faced by all NIS USAIDs. USAIDs will be requested to identify for review priority sectors for training and will be involved in participant selection, processing and follow-up to the extent that their staff resources permit.

In order to cut costs and to increase the likelihood that the centers will become self-sustaining following the close of the project, A.I.D. will encourage the contractor to base the regional training support centers in already existing institutions. The centers will each be staffed initially by one or two U.S. professionals, supplemented by locally hired personnel. Within one year, the Americans are expected to phase out and the local staff will take over all training management responsibilities.

The new NIS Task Force contract or cooperative agreement is expected to become operational in July of 1993. DIHHR plans to utilize a PSC human resources development specialist (who is already on board) to supervise the fast-starting activities under the PIET contract as well as the planned contract or cooperative agreement.

## 2. Contracting Considerations

Contract administrative costs will be funded out of budget allocations for the three categories of assistance in which A.I.D. will be involved--i.e., short-term training, long-term training, and institutional linkages. The contractor will staff both its home office and the field support centers.

Annual contractor costs should total approximately \$1.5 million, for years two, three and four of the project; costs should go down during year five. This figure is based largely on estimated numbers of participants in the various categories and the number of professional staff needed to support them. DIHHR will prepare detailed contract budget costs at the time of RFP preparation.

Other Options Considered: The NIS Task Force gave careful consideration to implementing A.I.D.'s training activities on an ad-hoc basis through various sectoral projects under the Task Force's direction and through buy-in's to centrally funded projects. The decision to go forward with an overall training project and project support contract was based on the following realities:

-- Use of one contract mechanism will greatly facilitate planning and management of training activities across the Task Force.

-- Administering training across the Task Force through one project mechanism will greatly increase coordination of training requests and reduce chances for overlapping and duplicative training activities.

-- Channelling resources for training through one project emphasizes the importance that the USG accords to human resource development for the NIS.

## 3. Implementation Procedures - Roles and Responsibilities

Following is a brief description of the processes that will be utilized in establishing training priorities and in selecting training participants and training providers for A.I.D. administered programs.

a. NIS/TF/DIHHR, in coordination with S/NIS, EUR/ISCA and the Country Team will develop a list of priorities within sectors, based on approved Task Force sectoral programs. These priority sectors have been initially identified as: democracy and governance, private sector, competitive markets, energy, food systems restructuring, environment, health care and housing.

b. Experience in assessing training needs within these priority sectors and arranging for training will be among the criteria

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used to select a contractor or grantee to implement the project.

c. The contractor or grantee will compile a list of training needs in the priority sectors based on existing needs as identified in sector assessments and studies conducted by A.I.D. and other international donors and organizations. Information will also be obtained from consultations with personnel from NIS sectoral offices and Country Teams as well as from other U.S.G. agencies. Gaps will be filled in by the contractor or grantee by utilizing limited short-term technical assistance for field work.

d. The contractor or grantee will incorporate its findings on training needs and its conclusions and recommendations into a one-two year training implementation plan for review by NIS Task Force sectoral offices, Country Teams, S/NIS and EUR/ISCA and other U.S.G. agencies, as appropriate. The plan will specify the training that will be performed in the following 12 months (and training likely in the subsequent 12 months), indicate timetables for carrying out key activities and specify who will be responsible for each action. The plan will be updated each 6-12 months based on experience and inputs from Country Teams and sectoral offices, and the revised plan will be reviewed by them. NIS/TF/DIHR will have responsibility for final approval of training implementation plans and subsequent revisions.

e. The process for the selection of participants will vary. A.I.D. Missions, contractors and grantees as well as other U.S.G. agencies represented in the NIS will be encouraged, as appropriate, but not required to identify participants. Participant identification will, in most cases, be done in conjunction with host country private and public sector organizations. The NET project implementation grantee or contractor may identify participants when this is not done by A.I.D. or other organizations mentioned above. In some cases, the grantee or contractor may choose a training provider and request that organization to participate in the participant selection process. Country Teams will always have the opportunity to reject candidates nominated by other organizations.

f. The grantee or contractor will be available to A.I.D. Missions, Task Force sectoral offices, contractors and other grantees to assist with the same types of training support services that it will provide to the Task Force under this project. The organization desiring those services will execute a PIO/T or similar document providing to the project grantee or contractor funds to cover administrative costs.

g. Training providers will normally be selected by the grantee or contractor on the basis of a limited, informal competition for the purpose of expediting the delivery of training. The grantee or contractor will typically identify three to six organizations

known to have training capability in the specialization required. In addition to the organizations' experience and capability in that technical area, the grantee or contractor will look for experience in the NIS and an ability and willingness to tailor training to the specific environment and needs of the NIS.

To further clarify roles and responsibilities in implementing the project, the A.I.D. Missions will be requested to provide input for an NIS Task Force Order which will be issued within 60 days from the date of project authorization. The Task Force Order will establish detailed procedures for the conduct of activities under the project and will include: Country Teams as well as NIS Task Force responsibilities for participant training, specific sequential procedures for handling participants prior to departure for the U.S. and other participant training procedures which must be accomplished by the contractor or grantee.

#### **VI. FINANCIAL PLAN**

The following table shows planned FY 1993 funding by category and by program. FY 1994-95 allocations are shown by category only and are illustrative. The allocation of funding beyond the initial \$30 million will be determined, subject to directions and constraints established by the Congress or the Administration, on the basis of changing needs and demands within the NIS.

PROJECT BUDGET, FY 1993-95  
NIS EXCHANGES AND TRAINING PROJECT

Type of Program	FY 1993	FY 1994	FY 1995
		(U.S.\$000)	
<u>Exchanges</u>	<u>5,250</u>		
- Local/regional govt.-to-govt.	3,000		
- FREEDOM Support Grant Fund	750		
- Private Sector Exchange Fund	1,500		
<u>Short-Term Training</u>	<u>10,250</u>		
- NIS Leaders (A.I.D.) a/	10,250		
<u>Long-Term Training</u>	<u>10,000</u>		
- Undergrad. & Graduate Programs	8,000		
- NIS Leaders	2,000		
<u>Linkages</u>	<u>4,500</u>		
- Sister Universities Program	3,000		
- NIS Leaders/Pri. Sector Proposals	1,500		
<b>T O T A L S</b>	<u><b>30,000</b></u>	<u><b>30,000</b></u>	<u><b>30,000</b></u>

a/ As indicated in the text, this flexible program will respond to many short-term training needs. The program incorporates the funds which the Department of State's December, 1992, report to the Congress showed under four separate programs: Training NIS Leaders; Agribusiness Training; Advocacy Training for Disabled, Handicapped, and Special Education Groups in the NIS; and Inter-Agency Training.

**VII. PROJECT OVERSIGHT AND OTHER IMPLEMENTATION MATTERS**

**A. Monitoring.**

To monitor activities under the project and to ensure coordination of effort, the NET project will create an overall project coordinating committee. The committee, to be comprised of representatives from A.I.D., USIA, and State will meet weekly for the first few months and at regular intervals as the project progresses. The objective of the committee is to avoid duplication of effort among agencies and to assure that the training is carried out by the agency best equipped for the particular task at hand. The formation of similar committees in the field will be encouraged to assist in monitoring in-country

training, setting priorities and related activities.

Another key element in monitoring the project will be the creation of a participant management information system (PMIS). The PMIS will have the capacity to disaggregate trainees and trainee costs by each of our four broad training categories, as well as by subcategories of training as reported to the Congress.

OIT has already developed an agency-wide PMIS, and DIHHR will look to OIT for assistance in formulating an NIS-specific system. Once on line, the PMIS will be an invaluable tool in tracking progress of participants, as well as for planning for follow-up training and other project activities. It will also greatly facilitate reporting to the State Department and the Congress on costs of particular training activities under the various categories and subcategories of training. All participating U.S.G. agencies under the project will be expected to utilize the tracking system to facilitate reporting requirements. The project's contractor/grantee will be responsible for implementing the PMIS.

**B. Evaluation.**

A formal mid-term evaluation of project progress is planned at the beginning of year three of the project and a final evaluation will be undertaken in 1997.

**C. Waivers.**

Given the current political and economic conditions in the NIS, it is not realistic to expect that the host countries or institutions will be able to pay international air transportation in conjunction with training in the U.S. as is required under A.I.D. rules. Since this problem will affect all A.I.D.-financed training in the NIS and not just that financed by this project, the NIS Task Force Director will approve a waiver for all NIS Regional Projects to authorize A.I.D. payment of round-trip international travel, including incidental costs enroute as well as the cost of travel between the participants' home cities and point of departure from the NIS and return.

**VIII. ANALYTIC CONSIDERATIONS AFFECTING PROJECT FEASIBILITY**

**A. Feasibility.**

Training for the NIS as envisioned by the FREEDOM Support Act is feasible. However, potential logistical problems exist, mainly concerning the newness of A.I.D. to training in the NIS, the difficulty of support arrangements for trainees from cities other than Moscow, and the staff shortages experienced by all NIS missions.

The NIS Task Force has taken a decision not to institute traditional training offices in field Missions; tight staffing ceilings simply do not permit the luxury of recruiting USDH human resource development officers, nor of local hire PSC training staff. Thus the setting up of Contractor/Grantee-run field centers will be critical to long-term project success. Center staff will work closely with Mission staff to identify training needs and appropriate candidates, and will look to their home office for assistance in selecting and arranging for training sites and logistical support at the U.S. end. The centers will handle all logistical arrangements in the field, from visa processing to airline ticket reservations and payment. Centers will also arrange for field-based English-language testing, as well as short-term English training when necessary, to bring long-term participants up to basic English language competence.

A related feasibility issue concerns placement of short-term participants in private U.S. companies and institutions, when on-the-job training and practical internships are judged to be the most appropriate training vehicles. The contractor chosen for a NIS-specific procurement will need to possess knowledge of a broad range of private sector opportunities into which trainees can fit; this will be particularly the case for short-term training of NIS leaders and professionals--who will be engaged in programs focused on a variety of sectors such as banking, energy, environment, health, etc.

#### B. Risk Assessment.

Unlike other project assistance, training benefits are never totally at risk. Individuals can be expected to benefit from training, even if sponsoring institutions do not, or if training objectives are not fully met.

Given the conditions in the NIS at the start of this project, we see two major risks:

-- That the substantial amounts of cash needed for purchase of airline tickets and cash advances will be misappropriated; and

-- That a significant number of NIS students may not return home at the end of their training.

The first risk can be reduced by requiring that contractor personnel administering large sums of cash be bonded in the United States. The latter risk can be reduced through effective screening procedures and through close supervision of trainees and training programs in the U.S. The latter risk can also be reduced by requiring that sponsoring institutions assume responsibility for paying back training costs in the event that participants do not return to their home countries.

C. Sustainability

Sustainability in the context of a training project means the likelihood that the positive effects of project interventions will be of a long-lasting and ideally permanent nature, extending many years beyond the life of the project.

For A.I.D. activities under the project, sustainable interventions can be examined in light of short- and long-term training:

- Short-term training. A key challenge will be to ensure that short-term participants are not lost track of, following completion of training. We will look to the project contractor to institute tracking systems so that follow-up and/or refresher courses can be offered to training graduates. The aim will be to create durable linkages between participants and individuals and/or institutions encountered during their time in the United States. Maintaining these linkages will increase the chances that what they learn while in the United States will be retained and built on for the future.

- Long-term training. Similarly, creation of long-lasting linkages between participants and the universities providing training will be key to institutionalizing attitudinal and knowledge-based change acquired during long-term training in the United States. A.I.D. has witnessed this phenomenon before--in a generation of young Asian and Central American technocrats who came to the United States for A.I.D.-sponsored degree training, went home to eventually pick up the reins of leadership in their societies, all the while retaining close ties with their U.S. alma maters. In an important way, their universities provided an intellectual home to which they could look for continuing support in times of need or crisis. These ties helped reinforce the new knowledge and new ways of thinking acquired in the United States. The NET project is expected to stimulate similar linkages and loyalties among long-term NIS participants.

An additional aspect of sustainability relates to the way in which the contract-run field centers are set up. Rather than start centers from scratch, the NET project will seek to create ties with existing institutions on the ground. As the project unfolds, the centers themselves will receive training in techniques for self-sustainability, so that they can carry on activities after the close of the project. An institution with some history, experience, and roots in the community has a better chance at life after A.I.D. than a brand-new organization created solely with foreign technical assistance.

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NARRATIVE SUMMARY	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	EXTERNAL FACTORS																																																																						
<p><u>Outputs:</u></p> <p><u>Exchanges</u>            -Local/reg. Govt-to-Govt. Participants returned            -FREEDOM Support Grants: Partic. returned            -Private Sector Exchange Fund</p> <p><u>Short-term Training</u>            -Transition/Development Training</p> <p><u>Long-term Training</u>            -USIA Undergraduate &amp; graduate training completed            -NIS Leaders: MA level training complete</p> <p><u>Linkages</u>            -Sister university relationships established            -People trained under private sector grants</p>	<p><u>Magnitude of Outputs:</u>  <u>First Year Funds Only*</u></p> <p><u>Exchanges</u>            250 local and regional officials trained            140 participants returned            2 exchange partnerships established</p> <p><u>Short-Term Training</u>            650-750 leaders trained</p> <p><u>Long-Term Training</u>            400 degrees; participants returned            30-35 degrees; participants returned</p> <p><u>Linkages</u>            10 relationships established            2 relationships established; 125-150 partic. trained            * Future year outputs determined by program decisions.</p>	<p>Project Documentation</p> <p>Workplans</p> <p>Quarterly Reports</p> <p>Consultant Reports</p>	<p><u>Affecting output-to-purpose link</u></p> <p>-NIS people selected for training will be influential upon returning home.</p>																																																																						
<p><u>Inputs (Activities):</u></p> <p><u>Exchanges</u>            -Local/Reg. Govt. to Govt. Exchanges: participants            -FREEDOM Support Grants            -Private Sector Exchange Fund</p> <p><u>Short-term Training</u>            -Transition/Development Training</p> <p><u>Long-term Training</u>            -USIA Graduate/undergraduate training            -NIS Leaders: MA trg related to the AID program</p> <p><u>Linkages</u>            -Sister University Program: relationships financed            -Private Sector Fund: grants for training proposals</p>	<table border="1"> <thead> <tr> <th></th> <th>Yr 1</th> <th>Year 2*</th> <th>Year 3*</th> <th>Total*</th> </tr> </thead> <tbody> <tr> <td><u>Exchanges</u></td> <td>5,250</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>3,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>750</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>1,500</td> <td></td> <td></td> <td></td> </tr> <tr> <td><u>S-T Trg.</u></td> <td>10,250</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>10,250</td> <td></td> <td></td> <td></td> </tr> <tr> <td><u>L-T Trg.</u></td> <td>10,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>8,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>2,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td><u>Linkages</u></td> <td>4,500</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>3,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>1,500</td> <td></td> <td></td> <td></td> </tr> <tr> <td><u>TOTALS</u></td> <td>30,000</td> <td>30,000</td> <td>30,000</td> <td>90,000</td> </tr> </tbody> </table> <p>* Allocation of funds to be determined by needs/demand assessments.</p>		Yr 1	Year 2*	Year 3*	Total*	<u>Exchanges</u>	5,250					3,000					750					1,500				<u>S-T Trg.</u>	10,250					10,250				<u>L-T Trg.</u>	10,000					8,000					2,000				<u>Linkages</u>	4,500					3,000					1,500				<u>TOTALS</u>	30,000	30,000	30,000	90,000	<p><u>Beginning of Project Status (BOPS):</u></p>	<p><u>Affecting input-to-output link:</u></p> <ul style="list-style-type: none"> <li>- Implementing agencies can suitable candidates for all programs. They will return home from U.S. study.</li> <li>- Av. cost of trg. in local/reg. govt. program = \$10,000.</li> <li>- S-T trg. cost = \$10,000/month + 10% for follow-up, linkage building. Av. S-T trg. is one month or \$11,000.</li> <li>- AID L-T trg. cost = \$25,000/yr. + 5% for follow-up.</li> <li>- Av. AID L-T trg. program is two years or \$52,500.</li> <li>- All training-related costs are paid by the project. If partial funding is obtained from other sources, the number of participants will increase.</li> <li>- Inputs are gross figures; each program will be reduced by 5% to finance the implementing federal agency's internal administrative costs; AID admin. programs will be reduced by an additional 10% to finance regional training support centers in the NIS.</li> <li>- Assumes L-T USIA scholars will be financed for one year at an average cost of \$26,250*.</li> <li>- Assumes freedom support grants cost \$5,000 each.</li> </ul>
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PROJECT LOGFRAME: NIS EXCHANGES AND TRAINING PROJECT

NARRATIVE SUMMARY	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	EXTERNAL FACTORS
<p><u>Goal:</u> To facilitate the rapid and sustainable transformation of NIS countries from authoritarian, centrally-controlled regimes to pluralistic, democratic countries with market economies</p>		<p><u>Sources of Information:</u></p>	<p><u>Concerning long-term value of program:</u></p>
<p><u>Purpose:</u></p> <p>To equip a broad base of current and future NIS leaders and professionals with the specialized skills and practical knowledge and new attitudes needed to develop and support free enterprise and democratic governance.</p> <p>To build sustainable U.S.-NIS human and institutional linkages which will facilitate trade, investment, technology transfer and cooperation on global political and economic issues of mutual concern.</p>	<p><u>End of Project Status (EOPS):</u></p> <p>Returned participants working in business, government and voluntary organizations provide leadership in effecting political, social and economic reforms in NIS societies.</p> <p>Project-generated collaboration continuing between individuals and organizations in the NIS and partnering U.S. institutions.</p>	<p>Project reports</p> <p>Evaluations and Assessments</p>	<p><u>Affecting purpose-to-goal link:</u></p> <p>Donors will provide complementary necessary external inputs, including financial and technical assistance.</p> <p>The NIS people and their leaders will be patient and willing to endure reduced living standards while the transition to a market economy occurs.</p>

**First Year Plan**

The project includes the following activities with FY 1993 funds:

**1. Exchanges****A. Local and Regional Self-Government Program.**

USIA will provide training for more than 250 NIS local and regional government officials in the techniques and principles of democratic government and free-market economies. There will be three single-country programs which will include training; workshops; and exchanges bringing NIS officials to the U.S. to consult with counterpart American state and municipal administrators and to attend workshops.

**B. FREEDOM Support Grants.** U.S. embassies in the NIS will identify public and private sector leaders who would benefit from a professional visit to the U.S. These leaders will consult and collaborate with American experts on issues related to democratic and economic reforms in the NIS. Grantees may also attend conferences and seminars related to democratic and economic reforms in their countries. USIA will manage this program on behalf of the country team in each republic.

**C. Private Sector Exchange Fund.** USIA will administer a private sector exchange fund which will make grants to U.S. private organizations which demonstrate the capability to carry out U.S.-NIS exchange programs.

Funding for these and other programs administered by USIA in FY 1993 will be transferred from AID to USIA by means of an inter-agency agreement (IAA), which will lay out program objectives and targets (i.e., planned numbers of exchanges/trainees, etc.) and a program budget.

**2. Short-Term Training****A. Training of NIS Leaders and Professionals.**

This A.I.D.-managed program will provide a broad range of current and future leaders and professionals with supplementary training and exposure to Western methods and values needed to foster the skills and attitudes needed in their countries' institution-building and nation-building processes. These activities will be designed to encourage the establishment of durable linkages between U.S. and NIS individuals and institutions. Approximately 650-750 participants will be trained in priority sectoral areas of the

U.S. assistance program for the NIS. Areas of probable training emphasis with FY 1993 funds are expected to include economic and social policy; business management; energy efficiency and reform; health care; agriculture and agribusiness; financial reform; the development of the non-profit sector (including advocacy for the handicapped and other disadvantaged groups), diplomatic training and environmental protection. Programs will combine technical training with internships, if appropriate, and follow-on activities.

### 3. Long-Term Training

#### A. Training of NIS Leaders and Professionals.

A.I.D. will provide a limited number (estimated at 30-35 with FY 1993 funds) of graduate scholarships in developmental disciplines not available in the NIS or for which the NIS offering is not appropriate to the emerging political and economic systems. (Such training might, particularly at the doctoral level, be undertaken to help to foster a transformation in NIS universities.) The focus of graduate training will be on technical specialties of importance to the A.I.D. project portfolio and which will be important to sustaining the political and economic transformation of the NIS countries. As with the short-term NIS Leaders and Professionals training, programs will be structured to encourage the formation of durable linkages between participants and receiving U.S. institutions.

#### B. Undergraduate and Undergraduate Programs.

This USIA program will provide scholarships for one year of undergraduate study and one-to-two years of graduate study in general fields such as business administration, economics, law, public administration, public policy, government, and educational administration. Approximately 200 students are expected to participate with FY 1993 funds.

Also, USIA will utilize FY 1993 funds to administer a "top-up" program which will offer approximately 80 undergraduate grants and approximately 120 graduate grants to NIS students who obtain admission to U.S. universities, but who are unable to attend because they lack financial resources.

### 4. Institutional Linkages

#### A. Sister University program.

Under this program, USIA in year one will foster long-term relationships between U.S. universities and partner institutions in the NIS. The purpose of the program is to strengthen teaching, research, and management capability of

both institutions; support opportunities to develop new academic programs and build on existing ones; and, support development of university faculty and administrative staff. Ten two-year grants of up to \$300,000 each will be awarded in year one in the fields of educational reform, business, law, economics and public administration.

**B. NIS Leaders/Private Sector Proposal Fund.**

A.I.D. will fund proposals for training and related kinds of activities from selected U.S. private organizations. Proposals funded under this program should build the capacity of NIS institutions and strengthen U.S.-NIS institutional linkages. Priority will be given to U.S. organizations which have already established programs with NIS partners that have strong potential to become financially sustainable with a relatively short period of time.

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**ANNEX C**

**ILLUSTRATIVE SECTORAL TRAINING PROGRAM  
FY 93 AND 94**

Attached are illustrative training programs in the housing and health sectors. Training programs in other priority sectors will also be developed.

Attachments: a/s

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ILLUSTRATIVE HOUSING SECTOR TRAINING PROGRAM  
FY 93 and 94

1. Housing Finance

A. (short-term)

- to educate housing sector officials in institutional, managerial and mathematical aspects of housing finance
- one-month course in the U.S.
- 20 participants in FY 93 and 20 in FY 94
- \$200,000 for each of the two fiscal years for a total of \$400,000.

B. (long-term)

- to educate future leaders in the housing sector in the policy and technical knowledge necessary to bridge the gap between housing finance and the financial sector, including the macro economic linkage with housing finance
- one-year course at a U.S. university
- 8 participants in FY 93 and 8 in FY 94
- \$200,000 for each of the two fiscal years for a total of
- \$400,000

2. Land Policy

A. (short-term)

- to educate housing sector officials in the appropriate designs and mechanisms for the provision of land, shelter and urban services, including taxation and land management, use and ownership rights.
- three-week course in the U.S.
- 20 participants in FY 93 and 20 in FY 94
- \$200,000 for each of the two fiscal years for a total of \$400,000

B. (long-term)

- to educate planners, real estate lawyers and other housing related practitioners in land policy issues
- one-year course in a U.S. university
- 8 participants in FY 93 and 8 in FY 94
- \$200,000 for each of the two fiscal years for a total of \$400,000

3. Infrastructure Development

A. (short-term)

- to train future leaders in urban policy development in the importance of public policy in the support of the emerging private sector, including utilizing public and private resources in the development of urban infrastructure.
- 4-week course in a U.S. university or at the International City Managers Association
- 20 participants in FY 93 and 20 in FY 94
- \$200,000 for each of the two fiscal years for a total of \$400,000

4. Municipal Management

A. (short-term)

- to train municipal and local government officials in innovative analytical instruments and financial management tools to assist in analyzing local revenues and expenditures as well as local revenue generation capabilities and intergovernmental fiscal relationships
- 4-week course at a U.S. university or at the International City Managers Association
- 20 participants in FY 93 and 20 in FY 94
- \$200,000 for each of the two fiscal years for a total of \$400,000.

B. (long-term)

- to educate municipal and local governmental officials in the governmental and financial management practices of a decentralized system of government with particular emphasis on inter-governmental relationships
- one-year course at a U.S. university
- 8 participants in FY 93 and 8 in FY 94
- \$200,000 for each of the two fiscal years for a total of \$400,000

4. Real Estate Development

A. (short-term)

- to train private and public sector real estate officials in the purchasing of land, planning and zoning, licensing, management of the construction process, financing options and in market feasibility studies
- 4-week course in the U.S.
- 20 participants in FY 93 and 20 in FY 94
- \$200,000 for each of the two fiscal years for a total of \$400,000

B. (long-term)

- to educate future leaders in the emerging real estate profession for the purpose of building the expertise to sustain a market oriented system for real estate development
- one-year course at a U.S. university
- 8 participants in FY 93 and 8 in FY 94
- \$200,000 for each of the two fiscal years for a total of \$400,000

SUMMARY

- cost is \$1,800,000 per each of the two fiscal years for a total of \$3,600,000
- cost for each of the two fiscal years for short-term training is \$1,000,000 for a total of \$2,000,000
- cost for each of the two fiscal years for long-term training is \$800,000 for a total of \$1,600,000
- number of short-term participants for each of the two fiscal years is 100 for a total of 200
- number of long-term participants for each of the two fiscal years is 32 for a total of 64

ILLUSTRATIVE HEALTH SECTOR TRAINING PROGRAM - SHORT-TERM  
FY 93 and 94

1. Disease Surveillance

- train health professionals in the surveillance of vaccine preventable diseases
- one-month course in the U.S. at the Center for Disease Control in Atlanta
- 50 participants in FY 93 and 25 in FY 94
- \$500,000 in each of the two fiscal years for a total of \$1,000,000

2. Pharmaceuticals

- train health providers in international pharmaceutical procurement, drug formulary, drug distribution systems and in appropriate drug use
- one-month course at a U.S. non-profit institution
- 100 participants in FY 93 and in FY 94
- \$1,000,000 in each of the two fiscal years for a total of \$2,000,000

3. Health Financing and Delivery Systems

- train health finance professionals in alternative approaches to financing health care and in issues in changing health care financing and delivery systems
- one-month course at a U.S. university
- 100 participants in FY 93 and in FY 94
- \$1,000,000 in each of the two fiscal years for a total of \$2,000,000

4. Maternal and Child Health

- train health providers in specific management and clinical skills relating to maternal and child health care delivery systems
- one-month course at a U.S. university or non-profit institution
- 100 participants in FY 93 and in FY 94
- \$1,000,000 in each of the two fiscal years for a total of \$2,000,000

5. Environmental Health

- train environmental health professionals in environmental health policies and skills
- one-month course at a U.S. university or non-profit institution
- 50 participants in FY 93 and 25 in FY 94

- \$500,000 in each of the two fiscal years for a total of \$1,000,000

SUMMARY

- cost is \$4,000,000 for each of the two fiscal years for a total of \$8,000,000
- number of participants for each of the two fiscal years is 400 for a total of 800

## ENGLISH LANGUAGE TRAINING

The NIS Exchange and Training Program will have to finance English language training for long-term participants and interpreters for short-term training programs in the U.S., as required. Similarly, interpreters will have to be provided for short-term exchange programs in the NIS, as required.

English competency in the NIS is not widespread. However, those who speak English often speak it exceptionally well which indicates the existence of a strong English language training capability, at least within Russia and perhaps in other republics. The NIS training contractor will need to survey this capacity and determine if and how cooperation might be possible with existing NIS language training institutions, such as the Pushkin Institute.

A.I.D. evaluations of English language training components of participant training projects have concluded that U.S.-based language training is often more cost-effective than in-country language training for the following reasons. Because participants are totally immersed in the language and culture when training is conducted in the U.S., it usually takes them less time to achieve the required level of English competency for university admission. This reduction in time usually results in a reduction of overall costs. Moreover, it also permits participants to begin their training programs in the U.S. earlier which allows them to return home sooner to apply their training. Lastly, those in-country language training programs that required the presence of U.S. contractor personnel were more expensive than similar programs conducted in the U.S. The NIS training contractor will thus need to survey U.S. institutions, make cost comparisons and then perhaps test both options for a year before committing major project resources to one option.

Language training costs in the U.S. may be able to be reduced through special cost arrangements with one or two institutions which have a special interest in long-term NIS links. Also, costs usually are reduced according to the number of participants to be trained. Costs for interpreters can also probably be reduced by using a cadre of qualified NIS nationals.

The estimated cost in the U.S. for one month of English language training for an individual participant is approximately \$4,500 and the cost for a group of participants who share rooms is approximately \$2,500 per month per participant. To these amounts must be added the costs of international travel, insurance and training options, if appropriate. The cost of interpreter services in the U.S. is approximately \$250 per day.

IN-COUNTRY SUPPORT REQUIREMENTS

A. BASIC GENERAL SUPPORT

Basic in-country training support services which will need to be provided are as follows:

1. Participant Screening and Selection

Application forms and selection criteria will need to be established, as appropriate, to facilitate the screening and the final selection of participants. Until a field support mechanism can be established under the project, screening and selection of participants will primarily be the responsibility of U.S. training providers and institutions which have established programs and contacts in the NIS with the capability to identify and select candidates for training. A.I.D. Missions will participate in this process to the extent their resources permit.

2. Program Publicity

To assist, if appropriate, in obtaining a large pool of candidates from which to choose for long-term training, program publicity will have to be developed and distributed. Some training programs, however, will not be open to competition since the purpose will be to train persons occupying specific positions in the public and private sectors.

3. Pre-Departure Orientation

All participants must be provided with a pre-departure orientation which should include a description of the planned training program, administrative requirements and program arrangements, instructions on how and where to proceed upon arrival in the U.S., etc.

B. INDIVIDUAL PARTICIPANT SUPPORT

Before a long- or short-term participant can board a plane to begin his/her training in the U.S. various administrative requirements must be fulfilled in the New Independent States. Some of these basic requirements are as follows:

1. Visas

The required application form for establishing a participant's eligibility for J-1 visa status is the IAP 66A. Participants will have to be assisted in obtaining the visa forms and in filling them

out. Given the U.S. consular facilities available in the NIS it must be determined how best to facilitate the issuance of visas.

## 2. Maintenance Advances

Participants receive a maintenance advance before departure for the U.S. to take care of incidental expenses in route, especially if connecting flights are delayed or canceled. Since the OIT training contractor cannot at present wire these advances because of the inability of the NIS banking system to process this type of transaction, it will have to be determined if A.I.D. Missions can assist in this process.

## 3. Plane Tickets

Because of the lack of support mechanisms for training in the NIS, all plane tickets for travel to the U.S. must be pre-paid. It must be determined what airlines will facilitate the pre-payment of tickets and how this information can be transmitted to the participants.

## 4. Pre-Departure Medical Exams

All short- and long-term participants must be examined by an Embassy approved NIS physician for the purpose of identifying any pre-existing illnesses and determining if the participant is in a good state of health so that he/she may be covered by medical insurance. OIT has developed a standard form for this purpose which must be translated into Russian. Waivers of this requirement will be considered by OIT if the requesting A.I.D. office agrees to assume any medical expenses that might arise during participants' training in the U.S.

## 5. Background Security Checks

All short- and long-term participants must be checked by American Embassy security personnel to prevent persons with criminal records from being trained under U.S. funding.

## 6. Biographical Data Sheets

To assist the training provider in developing a course that meets the specific needs of the participants and is at the correct level of instruction, biographical data sheets must be filled out by each participant to assist in course development or selection.

## 7. Conditions of Training

It is A.I.D. policy that every participant be advised of the conditions and responsibilities which accompany his/her acceptance of A.I.D.-sponsored training in the United States and agree to conform to these conditions. OIT has developed a form which participants sign that details the principal conditions involved in accepting A.I.D.-sponsored training. This form must be translated

into Russian.

## 8. English Language Testing

Academic degree candidates under the NIS Exchange and Training Program must take a language exam (TOEFL) to determine if they have sufficient English language skills to be admitted to a U.S. university. In addition, degree candidates in business administration and various graduate areas must also take competency exams for admission to graduate programs. It must be determined to what extent NIS candidates for long-term degree training have access to these exams and how the administration of the exams can be facilitated.

## C. PARTICIPANT FOLLOW-UP

AID experience has demonstrated that for a relatively small amount of money follow-up activities for selected returnees can be critical in sustaining U.S.- NIS human and institutional linkages developed while receiving training in the U.S. For this reason, a follow-up program for returned participants will be financed under the project. These linkages will facilitate trade, investment, technology transfer and cooperation on global issues of mutual concern. Illustrative activities are described below:

- former U.S. instructors of returnees can conduct follow-up seminars and workshops to provide new technical information or to discuss application of knowledge gained during training in the U.S.
- conferences or seminars can be conducted on solving short-term problems of mutual concern.
- periodic exchanges of counterpart personnel can be provided.
- small grants can be provided to returnees to conduct studies related to the application of knowledge gained during training in the U.S. or to assist in financing joint studies and collaborative programs.
- if U.S. training related to how private associations operate, such as trade associations, municipal associations, health associations, etc., officials of these associations who linked with their NIS counterparts during training in the U.S. could make a follow-up visit to assist in applying knowledge gained in the U.S. and/or provide new technical information.
- selected returnees can be provided with the opportunity to return to the United States to attend relevant conferences, seminars, workshops to bring them up to date on new technologies and approaches.

- returned participants can be provided with memberships in professional societies as well as professional publications.

#### D. FIELD SUPPORT MECHANISM

The above described in-country support requirements to effect training in the U.S. are very labor-intensive and all but those discussed in Section C, Participant Follow-Up, must be fulfilled within a short period of time. Needless to say, in-country training support mechanisms must be established under the project to facilitate the fulfillment of these requirements, especially since A.I.D. Missions currently have very limited staff and resources. In the interim, we will seek to use existing capacity in the field such as Statistica. Once the project is authorized the responsibility for fulfilling in-country support requirements will be built into the scope of work for the RFP for a direct contract.

UNIT COSTS FOR SHORT AND LONG-TERM TRAINING

1. INTRODUCTION

The NIS Exchange and Training Program will provide basically two types of training: short-term technical training and long-term training. Short-term technical training is defined as non-degree training which is nine months or less and long-term training is defined as training which is longer than nine months and may be academic or non-academic and degree or non-degree.

2. TRAINING COST REDUCTION

Reducing the cost of short and long-term training will be the primary operating assumption for the bulk of A.I.D.-managed components of the project in order to maximize the number of participants. In the absence of specific agreements with training providers we are basing estimates of training costs on OIT's available unit cost data.

In the short term, we will request OIT to direct its training contractor, PIET, to initiate to the extent possible ways to reduce training costs as well as leverage training funds. Such ways might include setting a ceiling on tuition/fees, identifying those institutions that are committed to providing tuition/fee waivers, applying for scholarships for long-term academic participants, requesting those U.S. businesses and business organizations that are conducting training under the project to contribute to the cost of training, etc. Moreover, one of the RFP selection criteria for a direct contract with a training contractor will be recommended ways to reduce costs and leverage training funds.

Care will be taken, however, to not sacrifice quality and appropriateness for lower costs. It will be determined, for example, whether those institutions that offer lower costs also offer quality instructors and programs. Nevertheless, there are numerous institutions that offer quality training at reasonable costs. The exception will be to send participants to "Cadillac" model institutions with high costs unless these institutions are willing to reduce or waive tuition/fees or offer scholarships. Moreover, reputable training institutions should be willing to reduce costs for NIS participants because it is in their long-term academic and financial interests.

3. SHORT-TERM TRAINING

a. Cost Variables

The major cost variables for short-term training are as follows:

- type of training: classroom instruction, observation, on-the-job, or a combination thereof. Classroom instruction is the more expensive type of training.
- subject matter: the more specialized and technical the subject matter the more costly the instruction. In addition, a course that has to be developed is more expensive than a course that is "off-the-shelf".
- training provider: public providers are less expensive than private providers.
- language of instruction: training that requires an interpreter is more expensive than training provided in the language of the participants.
- number of participants: the costs of classroom instruction and course development varies with the number of participants.
- training options: the costs of training increases as options are added such as, a one-week orientation program in Washington, D.C., attendance at professional meetings, professional society membership, etc.
- travel: training can take place at several sites which increases travel costs

b. Training Unit Costs

According to information provided by the Office of International Training (OIT), the estimated average cost of one month of short-term technical training in the U.S. for one participant is \$6,500 plus international travel and selected training options which raises the total average cost to \$10,000.

The following is a sample illustrative short-term training program which details unit costs as provided by OIT and in accordance with A.I.D. Handbook 10 training allowances:

Sample Program:	Alternative Approaches to Financing Health Care
Type of Program:	Classroom Instruction (taught in Russian)

Number of Participants: 10  
Duration: 4 weeks  
Location: Washington, D.C.

Program Budget:  
(per person)

- Education and Training	\$4,250
- Living Allowances 33 nights @ \$127.	4,191
- Health Insurance Basic @ \$70/mo. Deductible @ \$100.	70
- Administrative Fee 1.25 months @ \$310/mo.	388
- Travel	3,000
<u>Basic Total</u>	\$ 11,243

Training Options:

- Supplemental Book Allowance	60
- Shipment of Materials	60
- Professional Society Membership	225
<u>Options Costs</u>	\$ 345

Full Package Cost \$11,588

4. LONG-TERM TRAINING

a. Cost Variables

Some of the major cost variables for long-term training are the same as discussed above for short-term training, such as training options, training provider, etc. However, the main variable for long-term training, especially at the graduate level, is whether

the training provider is a public or private institution. For example, the average cost for tuition/fees at a public university, according to information provided by OIT, is \$6,500 per participant per year, compared to \$11,500 at a private university. In addition, tuition/fees for professional graduate level programs in the areas of engineering, business administration and medicine are generally higher than education costs in the social sciences.

Other cost variables include the purchase of required equipment such as computers and the funding of possible graduate research components of Masters or Ph.D. programs. Lastly, if participants are not fluent in English, training in "English as a Second Language" must be provided prior to beginning academic training.

b. Training Unit Costs

According to information provided by OIT, the estimated basic average cost of one-year of academic training at a public institution is approximately \$22,000 per participant and \$27,000 at a private institution. The estimated cost of one year of academic training consists of mandatory yearly costs such as: tuition/fees, living allowances, education expenses (books, equipment typing allowance) and miscellaneous (health insurance and contractor management fee). To this sub-total is added mandatory one-time costs such as: round-trip international travel, travel to school if not included in international ticket, deposit on housing and shipment of personal belongings at the end of the program. To this total program cost can be added optional training costs such as: a one-week orientation program in Washington, D.C., attendance at a professional meeting, membership in a professional society, etc.

The following is a sample of the illustrative basic unit cost of one year of academic training at a public university:

Mandatory Yearly Costs:

- Tuition/fees:	\$6,500
- Living Allowance 12 months @ \$850/mo.	10,200
- Education Expenses	
Books	800
Typing Allowance	200

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- Miscellaneous		
Health Insurance	1,000	
Contractor Management Fee	3,720	
	<u>Total</u>	\$22,420

Mandatory One Time Costs (to obtain the cost per year for the expenses listed below they must be pro-rated over the life of the specific training program)

- Round Trip International	3,000	
- Travel to School	400	
- Deposit on Housing	500	
- Shipment of Personal Belongings at End of Program	250	
	<u>Total</u>	\$ 4,150

Optional Training Costs (to obtain the cost per year for the expenses listed below they must be pro-rated over the life of the specific training program)

- One Time		
Orientation Session	485	
Orientation Living Allowance	750	
Travel to Orientation Institution	400	
Computer Purchase	1,500	
- Each Year		
Membership in Professional Society	75	
Professional Meeting Attendance		
Registration	200	
Travel	600	
Living Expenses	350	
- Close of Program		
Full membership in Professional Society	250	

Total \$4,610

To obtain the estimated cost for a year of academic training in a private university the cost of tuition/fees should be increased from \$6,500 to approximately \$11,500.

INITIAL ENVIRONMENTAL EXAMINATION

- (A) PROGRAM COUNTRY: New Independent States  
(Regional)
- (B) ACTIVITY: NIS Exchanges and Training,  
No. 110-0012
- (C) FUNDING: \$30,000,000 (NIS)
- (D) PERIOD OF FUNDING: FY 1993
- (E) STATEMENT PREPARED BY: Annette Tuebner, NIS/PAC
- (F) RECOMMENDED ENVIRONMENTAL  
ACTION RECOMMENDED: Negative Determination under  
AID Environmental Procedures  
(22 CFR 216) for categorical  
exclusion of technical  
assistance and training  
activities, Section 216.2(c)  
(2) (i).
- (G) DECISION OF DIRECTOR,  
NIS TASK FORCE: *Manuel Barth*  
Approved  
  
\_\_\_\_\_  
Disapproved  
  
\_\_\_\_\_  
Date
- (H) DECISION OF ENVIRONMENTAL  
OFFICER, NIS TASK FORCE: *A. O. Ty*  
Approved  
  
\_\_\_\_\_  
Disapproved  
  
2/16/93  
Date

**EXAMINATION OF THE NATURE, SCOPE AND MAGNITUDE OF THE  
ENVIRONMENTAL IMPACT OF THE SPECIAL INITIATIVES PROJECT,  
(110-0012)**

**A. DESCRIPTION OF THE PROGRAM:**

This project funds exchanges, training (both short- and long-term) and institutional partnerships supportive of ongoing economic and political transformation processes in the NIS and of specific sectoral objectives. Most activities will occur in the United States where NIS leaders can receive not only skills training, but also exposure to U.S. management techniques, institutional arrangements and economic and political systems.

**B. RECOMMENDED ENVIRONMENTAL ACTION:**

Because the project provides only exchanges, training and other educational assistance, a categorical exclusion from A.I.D.'s Initial Environmental Impact Summary requirements is proposed. This recommended action is in accordance with A.I.D. Environmental Procedures 22CFR Part 216, Sections 216.2(c) (2) (i) which provides for a categorical exclusion for technical assistance, training and other educational assistance activities.

Action Recommended: Negative Determination under AID  
Environmental Procedures (22 CFR 216)  
for categorical exclusion of technical  
assistance and training activities,  
Section 216.2 (c) (2) (i).