

AID 1380-1 (10-79)	UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country N/A	Page 1 of 3 Pages
PIO/T	PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	2. PIO/T No. Ob. # 6141185	3. <input checked="" type="checkbox"/> Original or Amendment No. _____
		4. Project/Activity No. and Title Private Enterprise Development Training Goal D, Activity 4, S441 COEA 86 14500	

DISTRIBUTION	5. Appropriation Symbol 72-1161000	6. Allotment Symbol and Charge 600-14-000-00-28-61
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document	8. Project Assistance Completion Date (Mo., Day, Yr.) 9/30/89
	9. Authorized Agent AID/W	10. This PIO/T is in full conformance with PRO/AG N/A Date _____
	11a. Type of Action and Governing AID Handbook <input checked="" type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> PASA/RSSA (HB 12) <input type="checkbox"/> AID Grant (HB 13) <input type="checkbox"/> Other	

12. Estimated Financing (A detailed budget in support of column (2) is attached as attachment no. _____)					
Maximum AID Financing	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
	B. U.S.-Owned Local Currency				
			78,000		78,000

13. Mission References	<p>14a. Instructions to Authorized Agent</p> <p>This is an incrementally funded PIO/T. Please obtain contractual services to conduct course #209 ("The Role of the Private Sector in Development") five times, through 8a firm: (Development Assistance Corp.; Robert Nicolas, 1415 11th St., N. W. Washington, D. C. 20001, Tel. 202-234-8842/3.) FY 86 courses will be fully funded using FY 86 funds. Two courses are estimated during FY/CY 1986. This initial funding covers first course only. FY 87 funds will be used for implementing #209 a third and fourth time; FY 88 funds will be for the fifth course. Because the Agency may desire to train up to 317 employees, AID may decide to amend this PIO/T to fund up to 10 courses during the FY 86-89 period.</p> <p>14b. Address of Voucher Paying Office M/PM/TD/PCT Room 405, SA-14</p>
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15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.

<p>A. The project officer certifies that the specifications in the statement of work are technically adequate</p> <p><i>Andra J. Herriett</i> Andra J. Herriett, M/RM/TD/PCT</p>	<p>Phone No. 235-9070</p> <p>Date 1/21/86</p>	<p>B. The statement of work lies within the purview of the initiating and approved agency programs</p> <p><i>Alberta P. Talbert</i> Alberta P. Talbert, M/PM/AD/TD</p> <p>Date 1/22/86</p>
<p>C. <i>Russell Anderson</i> Russell Anderson, PRE/PPR</p>	<p>Date 1/22/86</p>	<p>D. Funds for the services requested are available</p> <p>FUNDS RESERVED BY _____</p> <p>PC: _____ 1/22/86</p> <p>FD: _____</p>
<p>E. <i>Andrea Mohn-Baumann</i> Andrea Mohn-Baumann, PRE/PPR</p>	<p>Date 1/22/86</p>	

<p>16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to:</p> <p>Signature _____ Date _____</p> <p>Title _____</p>	<p>17. For the Agency for International Development</p> <p><i>Mary K. Huntington</i> Mary K. Huntington</p> <p>Date 1-22-86</p> <p>Title Associate Director of Personnel for Training and Development</p>
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AID 1250-1 (10-79)	1. Cooperating Country <u>AID/W</u>	2. PIO/T No. <u>6141185</u>	Page 2 of 3 Pages
	4. Project/Activity No. and Title <u>Private Enterprise Development Training</u> <u>Goal D, Activity 4, S441, COEA 86 145000</u>		

SCOPE OF WORK

18. THE SCOPE OF TECHNICAL SERVICES REQUIRED FOR THIS PROJECT ARE DESCRIBED IN ATTACHMENT NUMBER A 5 B HERETO ENTITLED "STATEMENT OF WORK".

19. SPECIAL PROVISIONS

- A. LANGUAGE REQUIREMENTS (SPECIFY) English
(IF MARKED, TESTING MUST BE ACCOMPLISHED BY AID TO ASSURE DESIRED LEVEL OF PROFICIENCY)
- B. ACCESS TO CLASSIFIED INFORMATION WILL WILL NOT BE REQUIRED BY TECHNICIAN(S).
- C. DUTY POST(S) AND DURATION OF TECHNICIANS' SERVICES AT POST(S) (MONTHS)
N/A
- D. DEPENDENTS WILL WILL NOT BE PERMITTED TO ACCOMPANY TECHNICIAN.
N/A
- E. WAIVER(S) HAVE BEEN APPROVED TO ALLOW THE PURCHASE OF THE FOLLOWING ITEM(S) (COPY OF APPROVED WAIVER IS ATTACHED)
N/A
- F. COOPERATING COUNTRY ACCEPTANCE OF THIS PROJECT (APPLICABLE TO AID/W PROJECTS ONLY)
 HAS BEEN OBTAINED HAS NOT BEEN OBTAINED
 IS NOT APPLICABLE TO SERVICES REQUIRED BY PIO/T
- G. OTHER (SPECIFY) AID reserves the right to approve contractor personnel. The contractor's final report will consist of a review of the proceedings of the course, including recommendations for modifications of the course design, schedule, case studies, exercises, written and reading material.
7 copies of the report to M/SER/CM
3 copies of the report to PRE/PPR
3 copies of the report to TRI/DIU
3 copies of the report to M/PM/TD/TT
All reports must be identified by the PIO/T and contract numbers.

20. BACKGROUND INFORMATION (ADDITIONAL INFORMATION USEFUL TO AUTHORIZED AGENT)

AID Policy Paper entitled "Private Enterprise Development"
c/o Andrea Mohn-Baumann PRE/PPR
Washington, D.C. 20523, Tel. (703) 235-2274

21. SUMMARY OF ATTACHMENTS ACCOMPANY THE PIO/T (INDICATE ATTACHMENT NUMBER IN BLANK)

- C DETAILED BUDGET IN SUPPORT OF INCREASED FUNDING (BLOCK 12)
- _____ EVALUATION CRITERIA FOR COMPETITIVE PROCUREMENT (BLOCK 14)
- _____ JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT (BLOCK 14)
Agency Employee Groupings
- D ~~XXXXXXXXXXXXXXXXXXXX~~
- 4 WAIVER(S); (BLOCK 18) (SPECIFY NUMBER)
- B ~~Statement of Training Needs and Training Objectives~~

2. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities The contractor's Project Leader will be responsible to the PRE/PPR Project Manager primarily, and secondarily M/PM/TD/PCT. Both units will review and approve all planned activities, provide feedback as to contractor's efforts based upon drafts of course syllabus.

B. Cooperating Country Liaison Official

N/A

C. AID Liaison Officials

1. Andra J. Herriott, M/PM/TD/PCT
2. Russell Anderson, PRE/PPR
3. Andrea Mohn-Baumann, PRE/PPR

LOGISTIC SUPPORT

23. Provisions for Logistic Support

A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")

	IN KIND SUPPLIED BY		FROM LOCAL CURRENCY SUPPLIED BY		TO BE PROVIDED OR ARRANGED BY SUPPLIER
	AID	COOPERATING COUNTRY	AID	COOPERATING COUNTRY	
(1) Office Space					X
(2) Office Equipment					X
(3) Housing and Utilities					N/A
(4) Furniture					N/A
(5) Household Equipment (Stoves, Refrig., etc.)					N/A
(6) Transportation in Cooperating Country					N/A
(7) Transportation To and From Country					N/A
(8) Interpreter Services/Secretarial					N/A
(9) Medical Facilities					N/A
(10) Vehicles (official)					X
(11) Travel Arrangements/Ticket					
(12)					
(13)					
(14)					
(15)					

(OTHER SPECIFY)

B. Additional Facilities Available From Other Sources

- APO/FPO PX COMMISSARY
- OTHER (Specify: --e.g., duty free entry, tax exemption)

N/A

SCOPE OF WORK

I. NAME OF THE COURSE: The Role of the Private Sector in Development

The contractor will use the training materials developed and tested in two previous courses, modifying the course to between an eight- and ten-day Private Enterprise course and conduct it five times over the next 30-month period. The basic course was designed for the Agency officers who have been assigned private enterprise activities. Trainees have little or no experience in the private sector and thus require a basic understanding of U.S. and LDC private sectors and their relationship to AID's development efforts. This course is to provide training to AID Officers with private enterprise collateral duties in such areas as: a) basic business operations and decision-making, values, motivation and constraints; b) small business start-up and the problems faced by the small entrepreneur, including how to deal with risk; and c) AID's response including relationship to U.S. and LDC government policies and how to capitalize on business expertise/resources (U.S. and LDC) in achieving development objectives.

This course is intended for the following priority groups:

1. FS, GS/GM (11 and above) and FSN, Project Design, Program Development, Ag and Rural Development and other Technical officers who have collateral private enterprise responsibilities; executive level officers involved in AID's development efforts. (See Attachment D)
2. Selected Private Enterprise officers from each bureau and several field missions.

Each course will be conducted for approximately 28 officers selected from the above priority groups. ATTACHMENT B describes the reasons for developing the course and links them to the training objectives.

II. SPECIAL ACTIVITIES

- A. Present to AID's liaison officials for their approval curriculum and course outline modifications so as to reduce the present course from 13 days to between 8 and 10.
- B. Present to AID for approval a list of qualified instructors/trainers per Section III of this Attachment.
- C. Conduct and evaluate the modified course using tested training materials, case studies, the simulation "Exaction," and coordinate in a timely manner all instructional content presented by course trainee, lecturers, and content experts.

- D. If the Agency determines that it is in the best interest of course delivery, the contractor will arrange for training sites (including living accommodations for trainees) that are outside the greater Washington, D. C. metropolitan area (but not more than 100 miles - approximately from Agency headquarters offices). The per diem rate would not exceed \$60.00 per day for trainees and trainers. (If the Agency decides otherwise, training will be held in U. S. government facilities managed by M/PM/TD - Training Division).
- E. Evaluate each courses' presentations, based on contractor's previous training experience and judgement, and on feedback from the participants and the AID project officers.

III. QUALIFICATIONS OF TEAM MEMBERS

- A. Experience in developing countries;
- B. Experience in planning, analysis, and implementation of private businesses in the United States and in LDCs;
- C. Skill in project evaluation; and,
- D. Experience in training adult professionals.

IV. REPORTS

The contractor will prepare, within one month of the completion of each course, an evaluation of the implementation of the course which includes recommendations, if any, for major modifications required before the course is offered the next time. (Minor modifications, it is expected, will be made to materials, schedule, and simulations as each course is prepared/implemented.)

V. RELATIONSHIPS AND RESPONSIBILITIES

AID/W liaison officers will be Andrea Mohn-Baumann (PRE/PPR) and Andra Herriott (M/PM/TD/TT). They will also serve to keep the Private Sector Liaison Committee informed of progress in relationship to the planning and implementation of each course. PRE will make the final selection of nominees to attend the course based upon criteria describing the Agency's priority groups to be trained. M/PM/TD/TT and PRE will issue course announcement cables and coordinate receipt of course nominations and training applications.

VI. TERM OF PERFORMANCE

In so far as feasible, the first course is to be scheduled to commence the 23rd of June through the 3rd of July, 1986. The contractor is authorized up to a 7-day work week with no premium pay. Work on this contract may begin as early as January 27.

VII. SOURCE OF FUNDING

Funding for conducting this series of courses will come from the budget of the Agency's Training Division. USAID missions will finance travel and per diem of employees stationed at or assigned to overseas posts. M/PM/TD/TT will fund per diem of up to ten (10) AID/W trainees plus transportation of all trainees to the training site from AID/W, if the course is not held in the Agency training facilities. Trainer travel and per diem for AID/W officials making educational input to the course (who are officially on the course schedule) may also be funded by M/PM/TD/TT. The course funded for June/July '86 will be funded with FY 86 funds. Any additional FY 86 courses will be funded incrementally (See Illustrative Budget.)

THE PRIVATE SECTOR, MANAGEMENT AND DEVELOPMENT

INTRODUCTION: AID's strategy for the 80's is based upon four development assistance pillars: Policy Dialogue, Institutional Development, Technology Transfer, and Private Enterprise Initiative. The Private Enterprise Initiative pillar reflects AID's belief that greater reliance on private enterprise, individual initiative and free competitive markets is essential for the creation of the type of economic growth that Third World countries need to meet the Basic Human Needs of their people.

A principal focus of the Private Enterprise Initiative is the identification, evaluation and removal of constraints to private enterprise development and growth in LDCs. To improve the environment for the local private sector and improve the way local markets function, the Agency has chosen to:

1. Encourage policy reform by host country governments;
2. Strengthen institutions that serve the private sector;
3. Support training and management development programs that will address human resource deficiencies in key skill areas.

While private enterprise activities have long played a major role in America's development assistance programs, the Private Enterprise Initiative has resulted in a substantial increase in the amount of private sector activity for the Agency. The Bureau for Private Enterprise (PRE), which was created in 1981 to play a lead role in helping to translate the Initiative into policies and programs, and the Regional and Central Bureaus have developed and are implementing a large number of private enterprise related initiatives and activities around the world.

NAME OF COURSE AND DURATION: THE ROLE OF THE PRIVATE SECTOR IN DEVELOPMENT.
13 DAYS. (This course may be modified and presented over a 9-day period.)

BACKGROUND AND STATEMENT OF TRAINING REQUIREMENTS

Agency development officers with no experience in the private sector face a unique set of challenges. They must be able to work with and understand the motivations of members of the LDC and American development and business community and then develop and or modify certain projects which can benefit from participation by the business community while meeting some of the needs and the development goals of both the recipient country and the respective mission.

Their task is complicated by the fact that they must work with at least three distinct groups of business people:

1. American business people who wish to be or are already doing business in an LDC;
2. Leading LDC business people who have MBAs or other formal training from U.S. and European Graduate Schools and are very knowledgeable, successful;
3. Small-and micro-level LDC business people (small shop-owners, truckers, fish or vegetable vendors) who, although having very little formal education, know their business and markets very well.

One of the fundamental problems that has restricted the Agency in its efforts to implement the Private Enterprise Initiative is that there is a critical need to increase the capability of AID professionals to identify and utilize private sector resources in support of host country and USAID development plans. Until AID officers, particularly those in field missions responsible for project development, gain a better understanding and appreciation of private sector (i.e., financial, market, legal, policy, etc.) issues regarding daily operations and the motivations underlying business and entrepreneur development, it will be extremely difficult for them to develop and/or support private enterprise development or capitalize on the resources available through private enterprise (both U.S. and host country) to further economic growth and development objectives.

AID's agricultural programs and projects are a good example of this problem and the potential for private enterprise initiative. Although a substantial proportion of AID's development assistance funds are allocated to agricultural programs and projects, AID does not have many technicians and project officers who have agribusiness experience or training. As a result, its agricultural sector programs and projects do not always reflect or take advantage of food commodity system linkages that would help to insure that they are responsive to market needs. In addition, AID is not fully equipped to utilize the marketing, production and management systems and resources of America's agribusiness community in the development and management of its agriculture programs and projects around the world.

AID professionals must also confront the issue of State-Owned Businesses and Parastatals (SOB/P). These entities represent a unique set of problems that require an awareness of how to manage a competitive business

within the context of public sector controls and/or supervision. In response to local and American concerns, many countries are beginning to seriously consider privatization and divestiture and are looking to the U.S. for assistance in evaluating the desirability and mechanics of such action. To be able to effectively assist host countries consider the ramifications of reasonable alternatives, AID professionals must be able to accurately assess the competitive position and strength of SOB/Ps, their ability to compete without government support, and their market value as independent entities. AID officers must be conversant on many of these and related issues. This is not an easy task.

In response to both the increase in the amount of AID private sector activity and the need for AID professionals with the background and ability to marry private enterprise and development needs together, the Agency continues to plan and fund training courses that will cover the training objectives listed below.

OBJECTIVES OF TRAINING PROGRAM: The course has four objectives:

1. Attendees will develop a better appreciation of how businesses operate and how business people think by learning about the language of business, what business people look for when they consider or make an investment (including the goals, motivation, and risk profiles of business people in the United States and abroad).
2. Attendees will learn about key issues confronting micro and small businesses, the entrepreneur and the differences between American and LDC businesses. This will help them consider the development impact of potential or existing private and non-private enterprise programs and projects.

3. Attendees will learn to evaluate the impact of local constraints (i.e., laws and regulations) on the needs of the business community. This will help them be more pragmatic about the role of private enterprise in the achievement of mission and LDC development goals.
4. Attendees will learn to apply lessons from AID's private enterprise activities and experiences spanning some 40 years; programs and resources available with the United States Government, commercial businesses and development agencies around the world; and the Agency's private enterprise policies and scope of financing mechanisms. This will enhance the attendees' ability to use these private sector resources.

TARGET GROUP: This course is intended for the following groups:

1. Project Design, Program Development, and Ag and Rural Development officers who have collateral private enterprise responsibilities.
2. Selected Private Enterprise officers from each bureau and several field missions.

The first course will be conducted for approximately 28-30 officers selected from the above priority groups, June 23 through July 3, 1985.

JUSTIFICATION FOR TRAINING PROGRAM: The Agency has a number of training tools that assist it in addressing private sector issues. AID schedules private enterprise policy briefings during the three-week Mid Career Entry Program. Pertinent PRE development issues are studied in the four week

Development Studies Program for mid-career officers. In addition, one AID professional has attended Chase Institute's (NYC) four-week credit analysis course for international bankers studying financial analysis and loan/investment decision-making. (This course requires considerable skills in accounting and international finance.)

The Foreign Service Institute (FSI) has a six-month Economics and Commercial Studies course that 4-6 AID professionals attend each year. In addition, there are several high quality graduate level management and business administration programs that cover, in depth, the subjects that will be covered in the proposed course. These courses run between nine to twelve months. While selected AID officers may be chosen to participate in such graduate courses through the Agency's long-term training program, their length and expense make them inappropriate mechanisms for responding to the Agency's immediate need.

In order to implement the Private Enterprise Initiative and respond to the increasing need for private sector training, AID must provide a large number of officers with a basic understanding of business operations, motivation and decision-making in a relatively short period of time. This will allow them to begin incorporating and utilizing U.S. and LDC private enterprise in the Agency's developmental activities. This course represents the most efficient and effective way to reach those who have the greatest need for these skills now in a short period of time.

DESCRIPTION OF TRAINING TO BE PROVIDED: The course will address four major areas:

A. WHAT DO BUSINESSES DO/HOW DO THEY OPERATE?-As a prerequisite to the effective performance of their responsibilities within the Agency, AID professionals who have significant private sector portfolios must first be able to communicate in the same language as their business counterparts and understand the nuts and bolts of operating and managing businesses. This section is designed to help them answer such questions as:

1. Why do people (entrepreneurs) start businesses?
2. How does one start a business and what are the various ways to organize a business?
3. How do businesses manage and control their activities?
4. How do businesses obtain and manage money?
5. How do businesses expand their markets, facilities and staffs?
6. Why do businesses fail?

In the process of exploring answers to these questions, the attendees will be exposed to the fields of marketing, finance, accounting, production, organizational behavior and international business and will learn the use of such tools as balance sheets, income statements, business plans, financial analysis, and product life cycles. They will explore the investment decision process from both the business and the investor perspective. They will also explore the most current issues in business including: barter and counter trade, agribusiness systems, commercial & investment banking, capital markets and the employment generation implications of private enterprise projects.

B. EVALUATION OF EXISTING AND POTENTIAL BUSINESSES, NEW BUSINESS DEVELOPMENT AND INVESTMENT OPPORTUNITIES - Once the attendees have developed a foundation in the basics of business, they must be able to effectively evaluate existing businesses, proposed businesses and investment opportunities. This section will expose them to the tools that they can use to assess a business' competitive strength, position and potential, and develop a program to maximize its business potential. They will learn to use the traditional functional areas listed below in an interactive and powerful way.

1. Marketing - Understanding how and why products are bought and sold in a country, regional or global market is essential to being able to identify constraints to private sector development or to successfully implement a business plan. It is important that there be a clear understanding of how purchasing decisions are made and who makes them. What is being actually purchased and why the purchase is made are crucial questions. Understanding what channels of distribution exist and which are most appropriate can determine whether a product is profitable or fails. A thorough understanding of the relevant price structure and the significance of each price point will give clues to the price sensitivity of the market. Developing an operational marketing strategy is a crucial step in the process of translating ideas into profitable products and actions.
2. Competition and Risk - The creation and operation of successful businesses is not accidental. To maximize the potential for success, it is crucial that one be able to conduct an Industry and Competitive Analysis of a particular business or product. This analysis should, at the minimum, include the following information:

- a. Existing Industry/Country Competitors--Who are the major competitors? What are their strengths and weaknesses? How will they respond to new entrants or aggressive competitive moves? What are their financial resources and how will the existing or proposed businesses compare?
 - b. Potential Entrants--Who are they? What are their strengths and weaknesses? Do they have the financial strength to buy their way into this market? Do they have the financial strength to survive a price war? What barriers to entry exist?
 - c. Substitutes--Are there any other products or countries that could provide acceptable substitutes for the proposed product or service? Are there other sources of financial or technical assistance which give the host country the option to reject AID assistance?
 - d. Suppliers--Who are they? How powerful are they? How much influence do they have on industry structure and prices? Will the existing or proposed businesses have any bargaining power over its suppliers?
 - e. Buyers--Who are they? How much power do they have on industry structure and price? Will the existing or proposed businesses have any bargaining power vis-a-vis its customers?
3. Production--Once a clear definition of the markets and the competitive structure has been determined, the business must then be able to translate that understanding into decisions to produce products in a manner that minimizes cost and maximizes performance. Product design, plant layout, raw material selection and sourcing and employee training are all issues that

must reflect a business' evaluation of its competitive position, strength and opportunities.

4. Finance & Control-Once a business person has a sense of his/her markets, competition and production strategy, s/he is finally in a position to understand the financing needs of the business. The choice of different forms and sources of financing has major implications for a business' ability to be competitive. The financial control systems that a business installs and uses, for example, must not just reflect its accounting and financial reporting needs. These systems must be designed to give managers the kind of information that they need to manage the business when they need it and in the form that they need it.
5. People & Management-The real bottom line of business is not profit, it is people. Only by having people who understand the nature of the business and competition that they face can a business perform in a way that will allow it to earn a profit in the marketplace. Understanding this fact, and the implicit contract and joint interests between business owner and employee, is one of the key elements that distinguishes successful businesses from those that fail, or never realize their maximum potential.

C. THE IMPACT OF GOVERNMENTAL REGULATIONS ON PRIVATE BUSINESSES-PRE and the Agency have both identified policy dialogue as a major tool for encouraging host governments to make changes which will hasten the development process. For policy dialogue to be effective, however, the AID professional must understand the needs of business and the LDC government and then be able to

analyze the local and regional environment to identify constraints and develop initiatives that are consistent with host government and Mission priorities and abilities. This training area will help the attendees identify constraints to the development of the private sector by teaching them analytical tools and exposing them to resources (such as Embassy Economic and Commercial Advisors and/or the USAID Economist) that will help them evaluate the impact of governmental rules and regulations on private businesses. It will also train them to develop strategies and tactics to eliminate these constraints, and be more effective in policy dialogue with local officials.

These constraints will include:

1. Fiscal and Monetary controls;
2. Tariffs and other trade agreements;
3. Regulatory controls on foreign exchange, imports, investments, and repatriation of profits;
4. Administrative functions, including procedures for the granting of licensings and customs clearances;
5. Educational targets and their impact on labor needs of business;
6. Taxation systems;
7. Labor laws.

D. INTERGRATING BUSINESS AND DEVELOPMENT TOOLS-The final challenge will be to help the attendees develop a personal strategy to use what they have learned about business and management within the context of the Agency's development goals. This section will have three components.

1. AID'S Private Sector Experience:

This component will explore AID's experience with different forms of private enterprise related initiatives and activities over the past

forty years, focusing on examples of interventions that were major successes and major failures. Included will be AID's experience with:

- a. Industrial Development, including the Development Loan Fund and Productivity and Industrial Development Centers;
 - b. Foreign Exchange Access or Savings programs;
 - c. Policy Dialogue;
 - d. Capital Market Development, including ICI's and Security Markets;
 - e. Foreign Private Investment Promotion, including Cooley Loans, Investment Guaranties, Investment Centers and Groups, Investment Project Identification efforts and Cofinancing;
 - f. Export Promotion and Development;
 - g. Tourism;
 - h. Training, both vocational and management;
 - i. Technology Transfer;
 - j. Small Scale Enterprise Development.
2. Current AID, U.S. Government, and multilateral and commercial programs and resources:

This component will cover the various private enterprise programs that AID and other parts of the United States Government offer that AID professionals should both be aware of and use, including:

1. OPIC;
2. Ex Im Bank;

3. The Trade and Development Program,
4. Embassy Commercial and Economic Advisors and other State Department programs;

It will look at the private enterprise activities of multi-lateral development agencies such as the World Bank and I.F.C. activities and services of American and third country corporations will be explored with an eye to helping the attendee assess the possibility of joint venture projects or the impact of private sector projects.

Finally, this training area will look at the types of private enterprise activities currently being funded or developed by Central & Regional Bureaus, USAIDs and the Bureau for Private Enterprise to assist the attendees in developing a better idea of the internal resources that are available to assist them in the development of their host countries.

3. Development of Business, Public Sector, Functional Sector, and Country Private Enterprise Development Strategies:

The final component of this course will help the attendees link all that they have learned with existing USG and non-governmental resources and become more proficient in the development of business, sector and country private enterprise development strategies. The attendees will work through examples of business, public sector, functional sector and country private enterprise development strategies to enhance their ability to develop such strategies on their own.

The course will begin with a case from an LDC that will help attendees understand business decisions from the point of view of an LDC business manager. It will include cases that provide insights into marketing strategies to consider when introducing a new product in an LDC market. A one-day simulation exercise (Exaction) will be implemented. It is a

sophisticated simulation that pitches the rural, urban, and industrial sectors of a small LDC against each other to demonstrate the impact of decisions of one sector upon the others. The course will end with a case that requires attendees to apply what they have learned by analyzing and critiquing an integrated private enterprise development strategy for an LDC.

The entire course will focus on examples and problems that specifically reflect the issues, problems and opportunities of doing business in a developing country and contrast those issues with the American business context. The course material will include case studies, a role-play simulation, and background material and lectures by public and private sector business people and officials from the United States and LDCs.

A list of instructors and their specific contributions to the course will be provided to the AID liaison officers; all instructors should have both LDC development and private sector experience, e.g.:

1. AID professionals;
2. Graduate school of business professors;
3. Business people from the United States and LDC's; and
4. Government officials from the United States and LDC's.

This course was designed in response to the request of AID officers in the field and in the Central and Regional Bureaus. It has the express support of the Private Sector Officers of the ANE, Africa and Latin American Bureaus and the Agency-wide Private Sector Officers Liaison Committee.

ILLUSTRATIVE BUDGET

Course No. 209

Preparation and Conducting of PRE Course #209

A. Salaries

1. Course Director	35 @	275	9,625
2. Trainer Specialists*	22 @	500	11,000
3. Content Specialists	10 @	250	2,500
4. Logistical Coordinator	15 @	100	1,500
5. Clerical	20 @	100	<u>2,000</u>

Subtotal 26,625

6. Fringe Benefits 30% 7,986

Total Salaries: 34,611 \$34,611

B. Overhead 64% 22,404 \$22,404

C. Course materials/per diem/equipment

1. Training materials/ manual	25 X \$45	1,350
2. Rental of training facilities		2,000
3. Per diem \$75 per day Trainers/facilitators/ specialists		4,000
Contractor logistics		500
Milage transportation		1,625
4. Rental of equipment		1,000
5. Contingencies		<u>1,000</u>

Sub Total \$ 11,475 \$11,475

D. Other Costs

1. G & A	10%	6429
2. Fee	10%	7072

Sub Total 13,501 \$13,501

(Course # 1) Total \$77,789
FY 86

*Includes course modifications, materials development, preparation, instruction and evaluation.

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SUBSEQUENT PRESENTATION OF PRE TRAINING COURSES

ILLUSTRATIVE BUDGET

A. Salaries

1. Course Director	8,000	
2. Trainer Specialists	10,000	
3. Content Specialists	2,500	
4. Logistical Coordinator	1,000	
5. Clerical	<u>1,500</u>	
Subtotal	23,000	
Fringe Benefits 30%	<u>6,900</u>	
Total Salaries	29,900	\$29,900

B. Overhead 19,200 19,200

C. Course Materials/Per Diem/
Equipment/Travel, etc. 13,000 \$13,000

D. Other Costs

G&A 10%	6,210	
Fee 10%	6,831	
	13,041	\$13,041

Course #2 Total Per Course \$75,141
(FY 86)

Course #3	7%*	\$85,600
Course #4	7%*	\$85,600
Course #5	7%*	\$91,600

*Inflation Factor

ATTACHMENT D

Agency Employ Groupings

Target Audience

A. Executive Level (SES/SFS/AD) 280

B. Foreign Service Officers 190
 Backstop Code: 2 (Program)

21 (Private Enterprise)	16
94 (Capital Develop)	202
10 (Agriculture)	227
14 (Rural Devl.)	44
60 (Education)	55
25 (Engineers)	70
50 (Health)	120
12 (General Devl.)	123
	<u>1047</u>

C. GS/GM/AD GS 11 and above

<u>Categories:</u>	Comparable to FS backstop	
0345	2	110
0401, 37, 71	10	9
0602, 30, 95	50	15
1101	21	12
1140	21	16
1160	94	14
1701	60	10
		<u>186</u>

D. Foreign Service Nationals 75
 (Critical Mass - 1 per overseas Mission) 1588

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