

● The Partnership for Business & Development Progress Update

April 1991



One of a series of initiatives of
the U.S. Agency for International Development:

The Environment Initiative

The Democracy Initiative

The Partnership for Business and Development

Family and Development

plus

Toward Strategic Management, and

The Administrator's Evaluation Initiative

Overview

The Partnership for Business and Development initiative is composed of six distinct activities: 1) a Capital Projects Fund, 2) a Business and Development Network, 3) a Business Advisory Council, 4) Emerging Sectors in Development, 5) Competitiveness through Universities, and 6) Business Internships for Emerging Markets. The current implementation status of each of the elements follow.

I. The Capital Projects Authority

- o Fred Zobrist of APRE is the Officer-in-Charge. There is an inter-bureau core Capital Projects Committee (CPC) composed of: George Laudato and Dale Sarro (APRE), Paul Guedet (Africa), Satish Shah (ENE), Jeff Evans (LAC), Laurie Landy and Priscilla Del Bosque (PPC), Mike Kitay (GC/APRE), David Grossman (APRE/H), Ed Stains (APRE/DR/TR), and Frank Kenefick (A/AID).
- o The CPC mission consists of two parts: (a) implementing the Capital Projects concept in FY 92 within existing authorities; and (b) developing long range plans and strategy for implementing an expanded capital projects activity, including a "fund," in FY 93.
- o Action assignments at present include the following:
 - A preliminary inventory of the impact of existing capital projects and their accomplishments over the past 10 years has been completed. //
 - An Inventory of Agency capital project management and skills resources has been completed action completed, but is being expanded to include skills bank;
 - A cable from the A/AID to the field announcing the Agency's renewed emphasis on capital projects and a briefer showing the important role of such assistance in the development process have been prepared;
 - Development of a brochure on Capital Projects is underway.
- o Obligations from the FY 92 CP are as follows for the Agency's three largest Capital Projects Programs (Egypt, the Philippines, and Southern Africa Regional):

FY 1990	\$532 million (actual)
FY 1991	\$573 million (planned)
FY 1992	\$420 million (projected)

In addition, Commodity Import Programs (CIP) are shown as averaging \$300 million annually. This is indicative that capital projects are declining in importance in A.I.D., compared with the \$5.6 billion in active capital projects the Agency has in the Philippines, Egypt, Pakistan, and Southern Africa Regional programs. These are projects which have not yet reached their project assistance completion date; excluded are many projects in various stages of closeout and housing and Commodity Import Program projects.

- o A decision was made to drop "pure" Commodity Import Program projects from the list of "Classes of Capital Projects."

II. The Business and Development Network

- o Phillip Hubbard is the Officer-in-Charge.
- o An inter-bureau Working Group composed of Hubbard, Jim Vermillion (LAC), Ray Malley (AFR), and Lance Marston (ENE) has been formed to provide an integrated approach to implementing this element of the initiative throughout the Agency.
- o The Working Group is seeking to define the role and function of the network in order to obtain the Agency's commitment of resources required to service the network's target clientele and support its constituency.
- o The Working Group is implementing the following activities:
 - A showcase joint trade and investment project;
 - Coordination with the Administrator's working group on information systems and analytical tools. This group's recommendations will determine the information system for the "one-stop" center for trade and investment;
 - The design of a set of procedures and policies for interacting with the U.S. and foreign business community on a transaction basis; and
 - Assessment of on-going trade and investment activities to provide a basis for ascertaining those methodologies through which A.I.D. has achieved its greatest successes in trade and development, as well as identifies niches for innovative new ways to promote trade and investment.
- o The Working Group will propose to Agency leadership that a central directorate for

trade and investment be established. Once such a team is in place, efforts can begin to institutionalize common reporting formats and implement a substantive program.

- o The Working Group has just completed a highly successful ad hoc effort to gather Agency-wide information for the Administrator on trade and investment activities in FY 90 -- including the names of involved firms, areas/sectors of activity, the amount of private capital involved, the number of jobs created, etc. This effort must now be institutionalized by creating a common results tracking system, reporting format, and database from which to extract future data requirements more easily.
- o The Administrator's Trade and Investment Working Group also has been working assiduously to examine the information requirements and means required by the Agency to implement a Trade and Investment Program, including program options under different policy environments.

III. The Business Advisory Council

- o Tracy Smith of APRE/IBS is the Officer-in-Charge.
- o An initial list of candidates has been prepared, and letters signed by the Administrator have been sent to each of them soliciting their interest in serving. To date there have been eleven acceptances, four rejections, and three from whom responses have not been received.
- o Once a final slate of Advisory Committee members is selected, a meeting will be scheduled in Washington, D.C.
- o The Administrator has approved the formal creation of the committee, and a letter has been sent to the GSA to complete necessary USG consultations.

IV. Emerging Sectors in Development

- o The Co-Officers-in-Charge are James Sullivan of S&T/EN/EY and Michael Unger of APRE/SPEE.
- o Preliminary definition of the task is as follows.
 - Partner with more technologically-experienced organizations, thus enabling them to become comfortable with the application of their knowledge in a developmental milieu.
 - Consider technologies that are operational in the U.S. and technically ready for

use in the developing world, but not yet considered commercially viable.

- Focus A.I.D. involvement in a few key areas, be mindful of national competitiveness interests, and consider funding for research proposals, market adaptation and access, or technological venture capital.
- Involve the participation of a responsible U.S. co-operator (university, research center, etc.) to help develop and implement pilot activities.
- o To date, four sectors have been "short listed" for focus: health technology and services; environment and energy; telecommunications; and agribusiness/biotechnology.
- o Action items include:
 - Preparing work plans for each technology sector;
 - Preparing a report outlining A.I.D.'s ongoing activities in each of these areas; and,
 - Creating a more systematic outreach program to develop and promote A.I.D.'s role in trade, investment, and technology transfer.

V. Competitiveness Through Universities

- o Gary Bittner of S&T/RUR is the Officer-in-Charge.
- o S&T/RUR's program of more traditional entitlement grants is being curtailed to make room for a new competitive project concerned with University Development Linkages.
- o The new project will provide seed grants to universities to leverage and encourage "stake holders" who are prepared to invest resources of their own and become constituents for mutually beneficial activities and interests.
- o It is anticipated that up to \$1.5 million will be provided in FY 1991 for 10-15 matching cooperative agreements with participating universities.
- o The Request for Applications (RFA) for the new University Development Linkages project was advertised in the Commerce Business Daily on February 6, 1991. As of March 12, 1991, we had 336 requests for the RFA.

VI. International Business Fellowship, a.k.a., Business Internship Program for Emerging

Economies

- o Eric Phillips of A/AID is the Officer-in-Charge, assisted by Leslie Anderson, LAC/DR/EHR.
- o A draft proposal for an International Business Fellowship program has been prepared for Agency review.
- o The proposal incorporates recommendations from graduate business schools throughout the country and from such professional organizations as the American Assembly of Collegiate Schools of Business.
- o The proposal consists of the following major concepts and elements.
 - A one-year fellowship for students between the first and second year of an MBA program;
 - A pre-departure orientation, a one year work experience with a sponsoring A.I.D. field mission, and a follow-up program at the student's university;
 - The program will be structured around an advisory board and four consortia comprised of interested universities, with coverage provided to all regions of the world in which A.I.D. works; and,
 - The initial year of the Fellowship program will run as a pilot activity involving up to 24 students, proportionally distributed throughout the four A.I.D. regional bureaus.
- o USAID/Bangladesh has already requested permission to serve as the sponsoring field mission for two of the fellows.