

PDABO 017

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET		1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____	DOCUMENT CODE 3
2. COUNTRY/ENTITY Kenya		3. PROJECT NUMBER 615-0234		
4. BUREAU/OFFICE Africa		5. PROJECT TITLE (maximum 40 characters) Training for Development		
6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 08 30 94		7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4) A. Initial FY 87 B. Quarter 4 C. Final FY 91		

8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY 87			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	2,763	105	2,868	9,634	366	10,000
(Grant)	(2,763)	(105)	(2,868)	(9,634)	(366)	(10,000)
(Loan)	()	()	()	()	()	()
Other U.S.	1.					
	2.					
Host Country		478	478		1,667	1,667
Other Donor(s) Private Sector		888	888		3,095	3,095
TOTALS	2,763	1,471	4,234	9,634	5,128	14,762

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) ARDN	601	700				1,350	-	3,000	-
(2) HNP	601	700				-	-	2,500	-
(3) SDA	601	700				1,518		4,000	
(4) EHR	601	700						500	
TOTALS						2,868	-	10,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)						11. SECONDARY PURPOSE CODES			
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)									
A. Code									
B. Amount									

13. PROJECT PURPOSE (maximum 480 characters)

To provide increased training for Kenyans who will hold positions of significant responsibility in national development.

14. SCHEDULED EVALUATIONS						15. SOURCE/ORIGIN OF GOODS AND SERVICES					
Interim		MM YY		MM YY		Final		MM YY		MM YY	
1 0		9 1				1 0		9 3			
<input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____											

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

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REC: Clearance: AHulliang *A. Hulliang*

17. APPROVED BY	Signature		18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION	
	Title Director, USAID/Kenya		Date Signed MM DD YY 08 25 87	

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TRAINING FOR DEVELOPMENT
615-0234

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TRAINING FOR DEVELOPMENT PROJECT

I. SUMMARY

The Training for Development Project (615-0234) is a seven year, \$10 million project, the goal of which is to strengthen Kenya's leadership for national development. The purpose of the project is to provide increased training for Kenyans who will hold positions of significant responsibility in national development. The project is designed to achieve this goal and purpose through a participant training program which will provide both short and long term training to a selected group of Kenyans from both the private and public sectors. Any field of study which is directly relevant to Kenya's economic and social development will be open to participants in this program, but all such participants will be provided special enrichment programs designed to improve their managerial capabilities and leadership skills. In all cases, participants will be selected on the basis of their ability to demonstrate not only superior academic and professional achievement, but also their capability, motivation and potential to provide direction and guidance to the Kenyan development process in future years.

The problem being addressed by this project is not simply a lack of sufficient opportunities for Kenyans to obtain advanced education abroad. Rather, the project is designed to redress an imbalance in such training which has become weighted toward the narrow technical needs of donor projects and Kenyan institutions. This project is an attempt to create a more broadly based scholarship program with a focus on leadership for the future rather than the technical needs of the moment.

On the recommendation of the Government of Kenya, the project will be implemented under two obligating mechanisms. A \$5 million grant to the GOK will cover the training of participants from the public sector. The Directorate of Personnel Management (DPM) in the Office of the President will be the primary implementing agency for this portion of the project. This is the role usually played by DPM for training programs involving civil servants. DPM will apply the criteria established for the project in the identification and selection of participants with assistance from USAID/Kenya staff. Participant placement and monitoring of trainee progress will be carried out by a contractor selected for expertise in education management.

The Government of Kenya and A.I.D. will sign a Memorandum of Understanding covering the general outline and terms of the private sector component of the project. Up to \$5 million in A.I.D. funds will be obligated for private sector training directly through a contract with the selected educational management entity. The contractor will establish an office in

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Nairobi and play a key role in advertising training opportunities, screening candidates, and organizing candidate dossiers for review by an independent selection panel. The panel will be composed of representatives from the private sector, higher education, the Government of Kenya and A.I.D. The contractor will undertake the same placement and monitoring role which it will play for public sector participants.

Although it is estimated that funds will be divided evenly between the public and private sectors, the project must maintain the flexibility to shift funds from one sector to the other as future training demands require. Incremental funding of this project will allow for such shifts as training requirements are refined by implementation experience.

In total, it is estimated that the project will train some 90 long term participants and 60-90 short-term participants over its life. It is expected that a greater number of short-term participants will be sent from the private sector. These individuals are expected to have a definite impact on the direction and quality of Kenya's future economic and social development.

No major conditions will be imposed on the grant funds passing through the Government of Kenya since there are no critical policy or administrative changes which are required to properly execute the project. The GOK will covenant that it will pay round trip international airfares and salaries and benefits according to established practice for all public sector participants. Only one waiver is required, a source/origin waiver for a photocopier.

As planned in the PID, the principal contract for technical and management services for the project will be let to a Gray Amendment entity. This contract will encompass a wide range of services for implementation of the private sector training program in Kenya and some small amount of support services to the DPM for the public sector portion of the project. All placement, support and monitoring of participants, as well as management of all payments to educational institutions attended by participants, will be undertaken by the selected contractor.

The following is a summary of the project's financial plan:

SUMMARY PROJECT COSTS
(US\$000)

<u>Input</u>	<u>A.I.D.</u>	<u>GOK</u>	<u>Kenyan Private</u>	<u>TOTAL</u>
Training	7,365	1,477	3,095	11,937
Management	2,430	190	0	2,620
Eval./Audit	<u>205</u>	<u>0</u>	<u>0</u>	<u>205</u>
TOTAL	10,000	1,667	3,095	14,762

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II. Project Rationale

A. Statement of the Problem

In the early days of Kenya's independence, the United States Government, private foundations, and many other bilateral and multilateral donors concentrated their training and scholarship programs on developing an initial cadre of public technicians and managers to help staff and run the nation's basic governmental and parastatal institutions. In most of these programs the major emphasis was on accelerating the "Kenyanization" of intermediate and senior-level public sector positions, many of which were occupied by expatriates held over from the colonial era.

Since these early years, both A.I.D. and many other donors (Ford, Rockefeller, British Council, Canada, GTZ/West Germany, Scandinavia, USIS, etc.) have sent abroad several thousand Kenyans for advanced managerial and technical training (see Annex E.1). In recent years however, there has been a trend away from broadly based academic training. A.I.D. and other donors have generally opted for more specialized training designed to meet the specific objectives of development projects. Greater emphasis has been placed on training counterparts for technical assistance teams, and on educating technicians to fulfill designated tasks within a project-defined context. Another focus has been the training of individuals to meet the current development requirements of specific Kenyan institutions. The education in the United States, under A.I.D. sponsorship, of over fifty faculty members of Egerton College, the major Kenyan agricultural training institution, is an example of this type of program.

While training efforts have tended to become more narrowly focused, the Kenyan economy has expanded and become more diversified and sophisticated, and it will continue to do so. Because of rising demands for improved standards of living, Kenyan policies and institutions have been and will be constantly challenged; a challenge heightened greatly by the country's very high population growth rate. Kenya, an emerging nation less than 25 years old, has made a good start toward long-term stability, peace and balanced economic prosperity. Now Kenya is evolving toward a middle-income and early-industrial state. As the nation's economy becomes more sophisticated, it requires an increased leadership cadre for its next phase of growth and development, leaders and managers who can design and carry out new policies and programs in key public and private institutions. Thus, in the foreseeable future there will be an increasing demand for trained Kenyan leadership with the capacity and skills to manage complex administrative systems and to develop and carry out policies that will promote increased national growth in a framework of

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social stability and economic pluralism. This demand is particularly great in the private sector, where the process of Kenyanization is much less complete than in the public sector. However, the public sector also continues to require not more personnel, but a greater level of competence and ability to shape and implement development policies successfully.

The current need, then, is not necessarily for just more training. In fact, the fifth Kenya development plan indicates that in 1983, some 9,000 Kenyans were engaged abroad in academic studies. Rather, there is a requirement for a change in approach, with a greater emphasis on broader-based high quality training designed to support the development of future Kenyan leaders and managers. This new leadership group must be highly conversant with the policies and management techniques needed to assure continued growth under changing social and economic conditions. Hence, the essential measure of success for this project will be its contribution to increasing the number of effective and well-prepared leaders of the nation.

B. Linkage to Kenyan Strategies and Programs

The country has a long, uninterrupted history of support for training Kenyans abroad, particularly in subject matter fields where training (at the university level and beyond) is unavailable or inadequate in Kenya. All major donors now have an overseas training component in their assistance programs. Generally, such training is forward looking and comprehensive, designed to support GOK priority development efforts. One example: over the past three years, all of Kenya's District Commissioners were enrolled in a training program in Britain whose purpose was to enhance the skills and abilities of these local leaders to fit in with Kenya's recently initiated District Focus for Rural Development program.

In important ways, Kenya is shifting the focus of its development strategy and programs toward a greater emphasis on the private sector. As a guide for the future, a new Kenyan government policy paper entitled "Economic Management for Renewed Growth" was issued in 1986. Outlining official development policies for the next two decades, the paper asserts that

... policies will be formulated that encourage the involvement of the private sector in the provision of facilities and services, either as a partner or as a principal agent.

In order to help the private sector obtain the trained manpower it needs to fill its new and expanded role, the GOK will ensure that graduates

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... will be encouraged to seek jobs in the private sector, where employment will be expanding, and Government will assist diploma and college graduates to find private sector positions.

Hence, the project's stress on leadership training, particularly for the private sector, is compatible with the GOK's own twin development priorities for the next twenty years or so. As noted in the new sessional paper, these priorities are

... accelerated employment creation, especially in the private sector, to ensure that all Kenyans participate in a growing economy, (and) gradual structural change from an agrarian into an urban-based industrial economy and services, leading the way for the next 15 years, as modern industry is restructured to play its essential development role.

Kenya recognizes the concomitant need for international training of its future leaders in both the public and private sectors. This was made clear in a recent statement by the Permanent Secretary and Director of Personnel Management (DPM). In March 1986, he stated at a management seminar, co-sponsored by the Federation of Kenya Employers:

The country continues to be confronted with constraints emanating from insufficient trained manpower. Thus, (the GOK will continue to) negotiate for scholarships with friendly countries, donor agencies and organizations.

Presumably, the DPM Permanent Secretary was taking his cue from a recent "Manpower Survey" issued by the President's Office. By citing this document, the linkage of this project with Kenya's official strategy becomes even clearer, i.e.,

The general picture ... is that the end of the current plan period will leave the country with big manpower shortages in various cadres If the needs of planned development are going to be met, considerable investment needs to be directed (toward) ... utilizing external resources in the acquisition of additional training places Past development planning has overlooked the manpower component of the development process. This was a serious oversight.

C. Relationship to AID Program Priorities and Activities

As noted in USAID/Kenya's FY86 Country Development Strategy Statement, "Development Assistance will... finance technical training for individuals... showing promise in management and

entrepreneurship and interest in expanding their skills". In the Mission's FY87 Congressional Presentation, the Development Overview pledges that the new "Training for Development" project (615-0234) will finance higher level...training in the U.S....for individuals for whom additional training promises high social return". Perhaps most significantly, USAID/Kenya's FY86 ABS states:

The higher level training requirements of present-day Kenya are large and will continue to grow as Kenya's total population expands at 4% per year. The lack of high level manpower training capacity in-country is repeatedly identified as a problem facing Government, the private sector and virtually all development investments. Yet, the training offered within projects is not designed to be broad in scope to address the numbers of people requiring training, the country's specialized training needs, or the training needed to facilitate further economic reform.

(The project) will select candidates (with)...a convincing (need) for professional training. It is not a purpose ...to provide general training for even a small share of the total demand, but to select energetic candidates (from)...priority professional and technical fields."

The project also conforms to A.I.D.'s worldwide strategy. As the Administrator said in his "Scholarship Diplomacy" speech (March, 1985):

- * A.I.D. seeks to expand its worldwide scholarships from 10,000 to 15,000 in FY86;
- * A.I.D. plans to recruit trainees based on their leadership ability and potential; and
- * A.I.D. will increase its traditional training based on technical and post-graduate study in the United States.

In brief, then, by seeking out a limited number of participants for training; selecting them on the basis of proven performance or high potential, strong motivation and merit; training them professionally in the United States; and providing them with special opportunities to strengthen leadership and management skills, the project will support attainment of these objectives. Each of these activities falls clearly within the program strategy and priorities of A.I.D. worldwide and of USAID/Kenya. In their aggregate, they serve to promote the broader objective of United States foreign policy.

With respect to the relationship of the project to current USAID/Kenya training activities, USAID/Kenya now selects and sends abroad each year some 80 to 100 Kenyans for advanced

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technical and management instruction. Most of them (60 to 80) are selected from the counterpart entities with which A.I.D.'s technical divisions work, principally those government ministries which deal with agriculture, and with health and population concerns. Another 15 to 20 annually receive support from the African Manpower Development Project. All are GOK civil servants and are nominated through the GOK's Directorate of Personnel Management. Three to five African Graduate (AFGRAD) project participants are chosen each year and, generally, they also come from public entities.

Each of these programs plays a role in support of the mission's country development strategy. However, in terms of supporting the Kenyanization of development leadership, the current mission program is very project-specific in orientation and heavily focused on the public sector.

More of the same would not provide adequate support to leadership development, either in government or in the private sector. The present USAID/Kenya training program, while useful in terms of its specific objectives, can only complement but not substitute for the broader-based form of leadership development required at this time in Kenya and which will be provided by this project.

D. Relationship to Other Donor Activities

Virtually all donors in Kenya, of which there are many, are engaged in some form of participant training. Among those with significant programs are: Britain, Canada, Sweden, Holland, and Denmark among the bilateral donors; the IBRD, IDC and ILO among the multilateral donors; and the Ford, Rockefeller and Aga Khan foundations. (See Annex E.1 for details on donor training programs). A great many of these programs are focussed on institutional strengthening, with a decreasing emphasis on broadly based academic training. There are some donors who do retain an interest in general scholarship programs, among them the British, the Canadians and several of the foundations. In discussions with these donors, the concensus was that there are still an inadequate number of scholarships to provide high quality training for Kenyan leaders, a view also held by Kenyan policy makers as the commentary in the previous section makes clear. The technical analysis carried out for this project supports this view (see Annex E.1). Therefore, this project, with its emphasis on a broadly based program of training emphasizing the development of managerial and leadership skills, is designed to assist in meeting a human resource requirement which is still not adequately met despite the high level of donor support for training programs in Kenya.

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III. Project Description

A. Project Goal

The project goal is to strengthen Kenya's leadership for national development. By means of the project, a group of Kenya's future leaders will be identified, selected, and trained to assume positions of national importance in the development of the country.

B. Project Purpose

The purpose of the project is to provide increased training for Kenyans who will hold positions of significant responsibility in national development. The project will provide a needed complement to the increasingly technical and project related training currently provided by most donors and will demonstrate once more America's concern with providing training of excellence in the United States, not only for a central cadre of Kenyan government officials (as was done in the '60's), but also for the nation's business, commercial and other professional leaders.

C. Project Strategy

The project's strategy is to select participants from the widest possible group of Kenyan candidates so that the very best will be selected, regardless of whether they are in the public or private sector (including private voluntary organizations). The reason for adopting this strategy is that the future leaders of Kenya will be found throughout Kenyan society.

The project will search for, screen and select a group of promising, Kenyan men and women who have demonstrated professional potential and personal attributes for attaining positions of real leadership in key jobs in the public, and private sectors.

Kenyans chosen each year for long and short-term training will attend top U.S. universities and institutions. They will participate in leadership oriented internships and short courses, all carefully designed to provide them with academic and practical skills, as well as knowledge and attitudes, that will be most useful for them to rapidly succeed in their business, professional, and public service careers in Kenya.

A large number of the participants in this project will benefit from a wide range of short courses that are offered annually in the United States. These courses encompass not only management and leadership skills but also specific professional skills which will increase the individual's

abilities to function more effectively in his/her present position. It is expected that, due to the nature of private business personnel requirements, a higher percentage of the private sector candidates may participate in short-term training opportunities.

Returned project participants will be encouraged to participate actively in assisting one another in making effective use of their new skills and knowledge in Kenya. The returned trainees will be utilized where possible to help brief and orient newly-departing participants. The project will assist returnees insofar as possible to acquire professional journals, other relevant professional information and will facilitate contact with visiting scholars and specialists in their professional fields. The returnees will be tapped to provide assistance in carrying out project evaluations. Participants will return to fill positions of responsibility in their organizations. Public sector participants will be bonded for a period of five years to provide government service, per standard practice. Private sector participants will have made a commitment to their sponsoring organizations in return for that sponsorship.

The levels, length and content of training will be tailored to the particular status and needs of each trainee, to help attain his/her leadership goals. Promising men and women will be sought out who can demonstrate the compatibility of their personal goals with a commitment to Kenya's national development; have the ability to anticipate and handle management problems; and present evidence that they are strongly motivated to pursue their professional goals flexibly, intelligently and successfully.

D. End of Project Status

By the end of this seven year project, approximately ninety participants will have completed long-term training programs. The majority will have pursued degrees at the Masters level, with a minority having received doctorates and a very few, a Bachelor's level degree. In addition, approximately 60-90 participants will have received specialized short-term training averaging 1-3 months per participant.

All the participants for the project will have been chosen for their leadership qualities, and on the basis of a well thought out, long-term plan to include utilization of their training upon their return to Kenya. Long-term participants will have received specialized training or work experience during school breaks to develop their leadership qualities and skills. By virtue of these project inputs, returned participants will have a high degree of motivation to fulfill their own leadership plans and be prepared educationally to rapidly assume a significant leadership role in their society.

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E. Project Beneficiaries

The primary beneficiaries will be the participants identified in the preceding section whose knowledge, skills and professional qualifications will have been enhanced by the education provided under the project. Their understanding and grasp of the attitudes and abilities required to attain positions of growing leadership in contemporary business, commerce, public service and professional fields, will have been substantially improved.

Less directly, but also realistically, by improving the quality of leadership in fields essential to Kenya's future growth and prosperity, the project will also benefit the organizations to which the participants return and a wide cross-section of the nation's population.

IV. Implementation Arrangements

A. Administrative Arrangements

This project is designed to benefit both the public and private sectors of Kenya. The Government of Kenya supports provision of training opportunities to both sectors, but for administrative and budgetary reasons, prefers that any grant to the Government of Kenya itself be restricted to human resources development for the public sector only. The Government is prepared to sign a Memorandum of Understanding (MOU) which will provide a basis under which A.I.D. can execute the training program for the private sector outside the umbrella of a grant agreement with the GOK. The following material describes the responsibilities of the various parties involved.

1. Government of Kenya

A Project Grant Agreement to cover the public sector training component of the project will be signed with the Ministry of Finance, as is the standard practice in Kenya. Concurrently, a Memorandum of Understanding regarding the operation of the private sector training component will also be signed by A.I.D. and the Ministry of Finance.

The Directorate of Personnel Management (DPM), in the Office of the President, has responsibility within the GOK for public sector training, and all A.I.D.'s previous training projects, such as the AMDP project, have been implemented through the DPM. As in such previous public sector training efforts conducted by A.I.D. and other donors, the DPM will coordinate GOK action for the portion of the project directed toward civil servants. The DPM will be responsible for developing and placing any advertising for the program, the initial screening of applicants based on the criteria established for selection, the maintenance of all candidate dossiers and the planning and execution, with A.I.D. participation, of the final candidate selection process. DPM, in coordination with the Ministry of Finance and the GOK line ministries concerned will process selected candidates for departure from Kenya and will arrange for the payment of round-trip air travel of participants to and from the U.S. and the payment of salaries and benefits due participants while in training. Liaison with the contractor selected to handle logistics involving the processing, placement and support of trainees will be coordinated through USAID/Kenya.

2. Kenyan Private Sector

There are a number of private Kenyan entities through which private sector training could be coordinated in Kenya,

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including the National Chamber of Commerce and Industry, the Kenya Association of Manufacturers or the Federation of Kenyan Employers. However, to assure as broadly based a representation as possible for participant selection, it is preferable to establish an ad hoc selection panel which will meet periodically to recommend candidates for placement under the project. The panel will be composed of representatives from the GOK, A.I.D., Kenyan private business associations and the academic community. No attempt will be made to institutionalize this body in any fashion. It will operate solely as a means for channelling private sector input and advice into the candidate selection process. The contractor selected to coordinate the program will act as the secretariat to the private sector selection panel. Since there is no institutional structure like the DPM to perform administrative services for training on the private sector side, the contractor's in-country personnel will carry out advertising, compilation of candidate dossiers and initial screening prior to action by the selection committee. Once the committee has made its recommendations, the contractor will arrange for placement of the candidates in U.S. educational institutions and handle all pre-departure arrangements for each participant.

3. A.I.D.

Within USAID/Kenya primary responsibility for implementing and monitoring this project will rest with the Office of Human Resource Development (HRD). HRD will provide day-to-day guidance to and oversee the operations of the contractor selected to provide administrative, placement and counseling services to the project. HRD will be intimately involved in the final selection of the project's participants. A staff member will participate on the selection panels for both the public and private sectors. HRD staff will also undertake liaison with the DPM, other Government agencies, private sector organizations and firms, other donors and other sections of the U.S. mission to assure the timely and proper execution of the project. Execution of any A.I.D. related documentation, such as that required to undertake the two major evaluations planned for the project, will be initiated by HRD.

The Regional Contracts Office of REDSO/ESA, in coordination with the Office of Acquisition and Assistance Management (SER/AAM) in AID/Washington and the Small Business Administration will be responsible for negotiating and concluding an A.I.D.-direct contract with a selected Gray Amendment entity to implement a wide range of activities under the project. Contractor selection will be handled by USAID/Kenya working in association with the REDSO/ESA Contracts Office under the special regulations applying to 8A contracts. The bulk of all project funding will be administered through this contracting arrangement with the exception of funds reserved for the first year's public sector short-term participants, evaluation and financial reviews or audits which will be handled independently by A.I.D.

4. The Contractor

A preliminary Scope of Work for the contractor can be found in Annex G. A summary of the contractor's responsibilities follows:

There will be one major A.I.D.-direct contract for services under the project. However, in the stages prior to candidate placement in the U.S., the contractor's role will be considerably different when concerned with public sector training as opposed to private sector training. Given the major role to be played by DPM in the public sector participant selection process, the contractor will play only a minimal role in Kenya prior to the placement process. This role will consist of the arranging of any required testing (Graduate Record Examination, etc.), organization of document files for placement, preparation of any documentation required by A.I.D. (non-funded PIO/Ps) and liaison with U.S.-based personnel on placement matters. For the private sector, pre-placement services provided by the contractor in Kenya will be more comprehensive involving all of those noted above as well as advertising, initial screening of candidates and compilation of documents for review by the selection panel.

Once they are identified, the placement of participants will be carried out by the contractor who will be skilled and knowledgeable in matching scholars from Africa with the best available U.S. educational programs and institutions. The contractor will assist the participants in planning particularly their extracurricular leadership skills oriented training programs either at a specified training course or through special enrichment activities, examples of which are included in Annex E.1. The contractor will provide orientation and counselling services for participants, both in Kenya and in the United States.

The contractor will also be responsible for assuring that each long-term participant has a sponsor and that both the participant and the participant's sponsor sign a training agreement with the contractor which spells out the contribution and responsibility (liability) of the participant and sponsor with regard to the proposed training program. This agreement should include the agreed contribution of the sponsor for airfares, payment of salary and benefits, etc. and the responsibility of the participant when (a) training is completed or (b) if training is prematurely interrupted or not completed. The contractor will assign the rights specified in the training agreement to A.I.D. for action if required.

The contractor will provide a sustained linkage for returned participants to their chosen fields of study by providing subscriptions to professional journals and memberships in professional societies for a period of several

years within the PACD if negative tax implications do not dictate otherwise. The contractor will also supply information to returned participants on lectures, seminars or other activities in Kenya involving U.S. or other scholars and professionals which may be of value. When practicable, the contractor will involve returned participants in the briefing and orientation of newly-departing students.

B. Implementation Plan

Major implementation steps are described below. A more detailed implementation schedule is found in Annex B.

1. Initial Steps

A Project Grant Agreement for the public sector portion of the project will be signed in August, 1987. At the same time, a Memorandum of Understanding will be signed with the GOK outlining the nature of the private sector training program and defining AID and GOK responsibilities for that program. A PIO/T for technical services will be executed either concurrently with the Pro-Ag or as soon thereafter as possible. The scope of work of this initial PIO/T will cover placement, monitoring and support services for participants, as well as some limited amount of support (arrangement of testing services and preparation of placement dossiers) to the Directorate of Personnel Management as part of the participant selection process. An 8A contractor selection procedure will also be completed during the first two months of the project so that contracting arrangements can be finalized prior to the end of December, 1987. Notification regarding the availability of this contract opportunity must encompass the scope of work for both the public and private sector portions of the project since only one contract is anticipated.

During this period, the Directorate of Personnel Management and USAID/Kenya will also move to establish all procedures and systems required to select participants under the public sector program. These mechanisms, which will be agreed to by A.I.D. and DPM, must be in place and functioning by the end of 1987 to assure recruitment of long-term participants for placement beginning in January, 1989.

USAID/Kenya, in consultation with the Government of Kenya, will lay the groundwork to establish the participant selection committee for private sector candidates prior to the end of calendar year 1987. The committee will consist of representatives from private sector business associations, and the academic community as well as representatives from A.I.D. and the Kenyan government.

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2. Contractual Arrangements:

All FY 87 funds will be channeled to the public sector portion of the project. The initial PIO/T for the major technical assistance contract will, however, cover services related to both the public and private sector training activities, with the proviso that the private sector services will not be initiated until additional funding is allocated to the contract (in FY 88). Contractor selection will be based on a demonstrated ability to handle services for the entire project. Funding for the PIO/T to initiate the private sector portion of the contract will not be available until approximately January or February of 1988. Execution of the private sector training program will require the establishment of an office and posting of one professional human resources specialist in Kenya and the hiring of support staff to undertake the work. Execution of this and subsequent contract amendments will be the means of obligating funds for private sector training under the project. Since the project will be incrementally funded, additional resources for training may flow via the PIO/T mechanism to either public or private sector portions of the technical services contract as demand dictates.

Several other contracts will be required in order to properly execute the project, including those to cover financial reviews/audits, evaluation services, and possibly a Personal Services Contractor to provide operational advice to USAID/Kenya's HRD Office. All of these will be financed under the Project Grant Agreement with the GOK for the sake of simplicity. All of these contracts will be A.I.D. direct contracts and will be handled either by USAID/Kenya/EXO (for the PSC), REDSO/ESA (for financial analyses under the RFMC IQC), RIG/A (for non-federal audits if deemed appropriate) or AID/W/SER (possibly for IQC evaluation services).

3. Flow of Training Activities

Since the contractor will not be in place during the early months of the project, placement of the first year's short-term participants under the public sector portion of the project will be handled through ST/IT channels. Funds will be set aside for this purpose outside the contract so that selection and placement of a limited number of first-year short-term participants is not impeded. Once the contractor is in place, all placement for both short-term and long-term candidates will be arranged and financed through the contractor.

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No long-term participants are likely to be placed in FY 88 due to the long lead time required to recruit and place candidates. The first public sector long-term participants will depart for training no earlier than January, 1989. Concurrently with this first placement exercise, the Directorate of Personnel Management will be conducting another identification and screening process so that additional public sector candidates will be prepared for placement in September, 1989. No private sector long-term participants are expected to be placed until September 1989. This is due to the need for more extensive identification and screening services by the contractor for private sector candidates. These services will not be available in Kenya until approximately February or March of 1989. Thereafter, regular recruitment, selection and placement procedures will permit a flow of long-term participants to the U.S. with the bulk of trainees commencing training in 1990, 91 and 92. All long-term trainees will have begun their programs by September, 1992. The final two years of the project will be devoted to completion of participants' academic programs. Details regarding the anticipated timing of participant programs are found in Annex E.2.

As noted above, first-year short-term training for public sector candidates will be handled by DPM and AID using the usual ST/IT placement procedures. Once the contractor is in place, it will be the contractor's responsibility to identify suitable training opportunities, through both private and USG channels, for all short-term participants and to so advise DPM and the private sector community. There will not be a fixed schedule of short-term placements. Rather, the contractor will identify useful courses sufficiently in advance that the required notification of these opportunities and selection of candidates can proceed in an orderly fashion. Short-term training will continue throughout the life of the project.

4. Project Completion

As noted, the last long-term participants will enter training in September, 1992. Short-term training may continue into 1994. The contractor's operations will be phased commensurately with the volume of participants flowing into the program. Thus, once the last of the long-term participants are placed, the contractor's field operations will come to an end unless the midterm evaluation finds that the program should be continued. Responsibility for short-term training identification and selection of candidates will then fall to USAID/Kenya and its host-country associates. The contractor's U.S. monitoring and support operations will continue through to near the PACD. A final evaluation will be conducted in 1993 to allow examination of the project's impact to date. All participants are expected to complete their programs by July, 1994. The PACD will be August 30, 1994.

C. Monitoring and Evaluation Plan

There will be several monitoring activities which take place over the life of the project. USAID/Kenya, largely through its Office of Human Resource Development, will be responsible for monitoring the overall implementation of the project for A.I.D. Duties will include participating in and reviewing the work of the GOK in selecting public sector candidates, participating in and reviewing the work of the participant selection committee for private sector candidates, and supervising the work of the technical services contractor. Work on private sector candidate selection will be closely coordinated with other ongoing private sector activities being undertaken by the Mission. HRD will also maintain the participant tracking system currently being installed with the support of AID/Washington which will assist A.I.D. in monitoring not only the placement and progress of current participants, but also the location and job responsibilities of returned participants. The Government of Kenya will also maintain, primarily through reporting provided by the project contractor, a record of the placement and progress of selected participants. A.I.D. will closely monitor the project to help ensure that the criteria for selection of candidates is being applied, that trainees represent a wide range of backgrounds and that women are adequately represented among the primary beneficiaries. It will be the responsibility of the contractor to maintain close liaison with the students once in training and to provide periodic reports to A.I.D., the GOK and private sector employers on the academic progress of all participants in the program.

Monitoring will also include a record, to be maintained by the Contractor, of all applicants by sex, ethnic affiliation, academic qualifications, employment history, testing and interview results and sponsor. The record will permit a comparison between those sent for training and (1) unsuccessful applicants and (2) those selected, but for other factors, not sent. The Contractor will also be responsible for (a) interviewing returnees in order to identify any difficulties and obtain personal information on the perceived benefits of the program and (b) providing up-to-date information for A.I.D.'s participant tracking system.

Two major, external evaluations are planned and will be undertaken in collaboration with the GOK. In addition, assessments are planned for each long-term participant after his or her return.

A major, external formative evaluation is scheduled to be completed in early FY91, approximately three years after project implementation begins. The evaluation will be conducted by three or four experts in education and training, either outside consultants or AID employees, over an approximate four-week period. Using the Logical Framework from

the Project Paper, the team will evaluate the appropriateness and timeliness of the provision of project inputs and will assess output achievement. Progress toward reaching project objectives and the end-of-project status will also be analyzed. If necessary, the evaluation team will recommend modifications to the training mix being provided under the project and to the distribution of training opportunities between the public and private sectors depending on performance to date. Since a follow-on project is possible, this evaluation will serve as the basis for determining the value of such a follow-on effort and the appropriate types and levels of assistance.

An external summative evaluation will be undertaken one year prior to the PACD. The evaluation team will be composed of an A.I.D./EHR officer and three or four other education and training experts, either from A.I.D. or outside consultants. In addition to again evaluating the items addressed in the mid-project evaluation, this evaluation will review the success of job reentry experience by both long and short term participants. Insofar as possible, this final evaluation will focus on the impact of the training received on job performance and promotion. This evaluation can draw upon insights and methodology of the A.I.D. participant training impact evaluation, sponsored by A.I.D.'s Center for Development Information and Evaluation and being executed by Nairobi University's Institute for Development Studies. It is estimated that the summative evaluation will require four to six weeks to complete.

V. Financial Plan and Analysis

A. Financial Plan

1. Summary Cost Estimates

As indicated in Table 1 on the following page, the total estimated cost of the Project is \$14.8 million. The A.I.D. contribution to the Project is estimated at \$10.0 million, or 68% of the total cost. The contribution of the cooperating country to the Project is estimated at \$4.8 million or 32% of the total cost. Of this the GOK will contribute \$1.7 million and the private sector \$3.1 million.

2. Estimated Expenditures

Table 1 indicates estimated expenditures in foreign exchange and local currency by project component. The A.I.D. contribution will finance 100% of the foreign exchange costs. These include the costs of the technical services contract, long and short-term participant training in the United States, a possible personal services contract with an individual to assist and advise on project implementation in the Office of Human Resources Development of USAID/Kenya, two project evaluations and audits or financial analyses, as appropriate. A.I.D. will also finance 7% of the local currency costs representing the local costs of the technical services contractor (housing, local travel, office equipment, rental and operation and maintenance of a project vehicle, local employees' salaries and benefits, etc.). In the case of the combined GOK and Kenyan private sector contribution to the project, it will finance 93% of the local currency costs of the project. These include participants' round-trip airfares, and participants' continued salary and dependents' allowances during the period in training and the GOK's management costs in support of public sector candidate selection.

Inflation, calculated at 5% of foreign exchange costs and 10% of local costs, compounded annually, has been built into the cost estimates provided herein.

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Table 1

SUMMARY COST ESTIMATE AND FINANCIAL PLAN
(\$000)

Source:	AID Public Sector FX	AID Private Sector FX	Kenyan Public LC	Kenyan Private LC	Total FX	I.C	Combined Total
Use: Management Services	850	1,214	366	190	2,064	556	2,620
Training	3,945	3,420	0	1,477	7,365	4,572	11,937
Evaluation/ Financial Reviews	<u>205</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>205</u>	<u>0</u>	<u>205</u>
Total	5,000	4,634	366	1,667	9,634	5,128	14,762

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Tables 2 and 3 below provide a projection of expenditures by fiscal year for both the A.I.D. and the Kenyan contributions to the project. Detailed FX/LC and unit cost information by fiscal year is presented in Tables 5 and 6, in Annex E.2.

Table 2

Projection of Expenditures by Fiscal Year
A.I.D.
(\$000)

Item	FY88	FY89	FY90	FY91	FY92	FY93	FY94	Total
Management Services	231	427	482	518	381	228	163	2,430
Training	198	3,383	1,853	1,472	218	241	0	7,365
Evaluation/ Financial Reviews	<u>10</u>	<u>0</u>	<u>10</u>	<u>75</u>	<u>10</u>	<u>0</u>	<u>100</u>	<u>205</u>
Total	439	3,810	2,345	2,065	609	469	263	10,000

Table 3A

Projection of Expenditures by Fiscal Year
KENYAN - Public Sector
(\$000)

Item	FY88	FY89	FY90	FY91	FY92	FY93	FY94	Total
Management	13	72	43	38	13	11	0	190
Training	<u>34</u>	<u>193</u>	<u>306</u>	<u>367</u>	<u>325</u>	<u>215</u>	<u>37</u>	<u>1,477</u>
Total	47	265	349	405	338	226	37	1,667

Table 3B

Projection of Expenditures by Fiscal Year
KENYAN - Private Sector
(\$000)

Item	FY88	FY89	FY90	FY91	FY92	FY93	FY94	Total
Training	<u>56</u>	<u>328</u>	<u>635</u>	<u>785</u>	<u>730</u>	<u>474</u>	<u>87</u>	<u>3,095</u>
Total	56	328	635	785	730	474	87	3,095

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3. Budget Summary of Inputs

The project has been designed with two major elements, or categories of AID inputs: (1) funds to provide long and short-term training and (2) management support--to assure adequate selection of participants and monitoring of training programs. One additional smaller input - evaluation and financial reviews (audits) of the project - will, along with the management component, reflect the level of effort considered appropriate to ensure adequate monitoring and timely implementation of the project. Project management support includes the assignment of a contractor with both home office and field responsibilities, and the possible employment of a project advisor under a personal services contract to assist the staff of the HRD office in USAID/Kenya, if required.

There are also three categories of Kenyan inputs: (1) round trip airfares for all participants selected for long or short-term training, (2) salary and benefit support to participants and their dependents while they are away on training and (3) GOK project management costs.

The table below indicates the flow of resources into each project element to produce each output.

Table 4
Input/Output Matrix

INPUTS A.I.D.	OUTPUTS		Completed Evaluations/ Financial Reviews	TOTAL
	Trained Personnel (Long-term)	Trained Personnel (Short-term)		
Management	2,027	403	0	2,430
Education	6,120	1,245	0	7,365
Evaluation/ Financial Review Services	<u>0</u>	<u>0</u>	<u>205</u>	<u>205</u>
Subtotal	8,147	1,648	205	10,000
KENYAN				
Management	159	31	0	190
Air fares	262	158	0	420
Salaries	<u>3,462</u>	<u>690</u>	<u>0</u>	<u>4,151</u>
Subtotal	3,883	879	0	4,762
TOTAL	12,030	2,527	205	14,762

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4. AID Obligation Schedule

The AID contribution to the project will be obligated periodically from FY87 through FY91, as indicated in the table below. The initial obligation will be for \$2.868 million in FY87.

FY87	FY88	FY 89	FY 90	FY 91
2,868	3,692	1,120	1,705	615

The funds for this project will be obligated during the first five years of the project to ensure that adequate resources are available to complete long-term training committed during the period. It is important to note that each participant will be fully funded at the commencement of the training program so that if future funding is not available, all participants in training will be able to complete their educational programs.

B. Methods of Implementation and Financing

Following is an illustration of the methods of implementation and financing required by this project.

<u>Type of Assistance</u>	<u>Methods of Implementation</u>	<u>Method of Financing</u>	<u>Amount (\$000)</u>
<u>Public Sector Component</u>			
Training & Management Contract-	PIO/T/Direct AID Contract	Direct Payment	\$4,418
Management Support (PSC)	PIO/T/Direct AID Contract	Direct Payment	\$ 179
Evaluations/ Financial Reviews or Audits	PIO/Ts/Direct AID Contracts	Direct Payment	\$ 205
First Year Short-term Training	PIO/Ps/Direct Placement in U.S.	Credit Transfers	\$ 198
Total Public Sector Component			\$5,000

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<u>Type of Assistance</u>	<u>Methods of Implementation</u>	<u>Method of Financing</u>	<u>Amount (\$000)</u>
<u>Private Sector Component</u>			
Training & Management Contract-	PIO/T to Establish Reservation Obligation. Amendment to AID Direct Contract to obligate Private Sector Portion	Direct Payment	\$5,000
Total Private Sector Component			<u>\$5,000</u>
Total LOP Authorization			<u>\$10,000</u>

Funds for this project will be obligated bilaterally to the Ministry of Finance and unilaterally through the management and training contract. However, the project will be implemented primarily through a single contract with a Gray Amendment entity. This contract will be incrementally funded through a series of PIO/Ts and PIO/T amendments from funds within the Project Agreement (\$4.418 million) and those obligated/committed unilaterally by A.I.D. (\$5 million). Funds will be provided on a direct payment basis. The contract will cover both management costs and training costs. The contractor will be required to submit separate invoices for payments of costs associated with public sector activities and for private sector related activities in order for A.I.D. project management and RFMC to properly monitor use of the funds.

The contractor will be allowed to charge an administrative fee on participant training funds which it subsequently pays to universities and participants. Training funds for each participant, under the contract will be allocated by means of individual unfunded PIO/P's signed by A.I.D. and the contractor which will provide detailed information on participants and their training programs. Funds for the purchase of the two major off-shore commodities, a sedan and a micro-computer, will be incorporated within the core management costs of the contract.

Since the contract will be a direct payment type and involve a considerable number of individual payments to universities (all of which must be paid promptly), a pre-award financial review will be conducted of the firm that, on the basis of its qualifications and capability statements, has been judged technically and managerially qualified to undertake this contract. This will help assure in advance the financial management capabilities of the firm. This initial review will take place prior to the final negotiation and approval of the

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contract. Subsequent financial reviews are planned over the life of the project. A.I.D. will develop the scope of work for these financial reviews and will contract for the required services through AID/W or RFMC IQC mechanisms, using funds from the Project Agreement.

Two evaluations are anticipated during the life of the project. These will be carried out by independent firms with substantial evaluation experience. Funds for these evaluations will be obligated through the Pio-Ag with the Government and committed via direct A.I.D. contracts with appropriate firms.

If required, an A.I.D.-direct personal services contract will be written to procure the services of manpower development specialist to advise HRD and assist DPM with the operations of the training program. Funds under the Project Agreement with the GOK will be utilized.

In order to begin short-term training for public sector participants while a contractor is being selected, training funds for the initial project year will be committed by means of PIO/Ps and disbursed to training institutions using the central A.I.D. participant training disbursing mechanism for credit transfers. Once the contract is in place, funds for training will all flow through the contract.

Budgeted funds for financial reviews and non-federal audits through RIG/A, if appropriate, have been included in the financial plan. The level of financial review will be determined by circumstances which arise during project implementation. A pre-contract award financial review of the selected contractor will be conducted. Time required to conduct this review may be lessened by the fact that the contractor will have prior A.I.D. experience and prior reviews may have been conducted. The GOK will participate in any decision concerning financial reviews.

Financial accounting for the project will be the responsibility of the Regional Finance Management Center (RFMC), Nairobi. The USAID/Kenya Human Resources Development Officer will review and administratively approve or disapprove all requests for payment associated with the project. Those vouchers approved will then be processed for payment by RFMC.

C. Financial Analysis

1. Reasonableness of Cost Estimates

The financial analysis shows the costs estimates developed for this project to be reasonable and in line with actual costs of similar training projects elsewhere in Africa. The cost

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estimates for the technical services contract were based on three other actual contracts with private firms which are monitoring the activities of approximately the same number of participants in southern African countries. These contracts provided the basis for estimating the required number of person-months for personnel of home office and field teams, relative salary levels, office operation and maintenance costs, and various administrative overhead charges.

The cost estimates for local salaries, office equipment, rental and maintenance, vehicle maintenance, and commodities are based upon actual costs incurred by on-going A.I.D. projects in Kenya.

Long and short-term training costs are based upon AID Handbook 10 and upon a survey conducted by the technical analysis team of a wide selection of short courses offered in the United States. Airfares and pre-departure costs are based on actual present costs. Salary contributions are based on published information concerning the salary and benefit levels of both GOK civil servants and private sector employees having the range of qualifications this project hopes to attract.

Testing costs were obtained from the Professional Testing Services at USIS. The cost estimate for the PSC contractor is based on salary levels of U.S. PSC contractors who provide similar professional services under local contract to A.I.D. Details of cost estimates are provided in Annex E.2, Financial Analysis.

2. Management Contract

The management costs of this project represent approximately 24% of the AID funds designated for the project. While this cost is relatively higher than the management burden suggested by the Office of International Training (OIT), there are significant additional management tasks which have been included in this project. These are:

- a. Significant costs incurred in the screening and selection process. The necessity of an in-country staff to carry out screening and selection activities, for private sector candidates substantially increases management costs.
- b. During each year of long-term training, participants will have at least one opportunity to participate in specialized management/leadership training programs which are offered in the United States. The contractor's home office staff will identify training

opportunities for each participant and then place participants. The home office staff will also spend considerable time monitoring each participant's educational and leadership development program. Again, this additional management cost is essential to maximize the possibility of developing leadership skills which is the objective of the project.

Both of these activities substantially exceed the services provided by OIT. The goals of the project cannot be accomplished without the completion of these additional tasks.

3. Kenyan Contribution

The GOK and the Kenyan private sector will contribute the equivalent of \$4.8 million to this project. The sponsors of participants will pay round trip airfares and salary and other benefit costs of participants which will support their families while they are away. The salaries and benefits of GOK civil servants who are selected to participate in the program are included in the budgets of the line ministries by whom they are employed. Travel payments for GOK participants will be included in the Directorate of Personnel Management budget. The GOK will also contribute the in-kind costs of time required to screen and select the public sector candidates both by line ministries and DPM.

Each private sector participant will be required to have a sponsor who will contribute at minimum payment of round trip airfare. Level of contribution of salary and benefits by private sector participants, whether actually paid in cash by employers or foregone by the individuals, will be a matter of negotiation between the individuals and their respective employers and will be formalized by a signed training agreement which will be submitted to the training contractor. Private sector firms, cooperatives, and local authorities were surveyed. All indicated their willingness to provide at least a portion of salary and benefit payments to support the individual and his family during the training period (Annex H, p.59).

4. Recurrent Costs

This project is not an institution building project for which high levels of recurrent costs are required. The DPM will handle management responsibilities for participant selection. This will require some realignment of staff responsibilities but no additional staff. Therefore the effect of the project on recurrent management costs will be negligible. Kenya will be required to contribute a one time

payment of airfare for each participant. This is not a recurrent expenditure and, in fact, does not represent a significant incremental cost burden to either the GOK or the private sector.

The individuals to be trained will be, with few exceptions, already employed. As they return, they may assume positions of higher responsibility within the organizations for which they work. However, the normal process of advancement is assumed to already be accounted for in the financial structure of the employer. Therefore, the additional recurrent cost burden caused by advancement is expected to be minimal.

VI. Summary of Project Analysis

A. Technical

A major technical report was commissioned by A.I.D. of consultants Flemming Heegaard and G-C.M. Mutiso. This report, entitled "Training for Leadership Development: Project Proposal", is included as an unattached annex to this Project Paper. Highlights have been included in Annex E.1. The report was an extensive effort which encompassed:

1. the background of human resource development in Kenya;
2. African technical and managerial leadership - public and private sector resources and needs;
3. the background and history of U.S. Government, and specifically USAID, training efforts in Kenya;
4. a description of various other donor programs;
5. a discussion of leadership factors, particularly as they apply to this project's purpose and goal;
6. a survey and analysis of the capabilities and programs of many public and private sector entities which either manage or conduct training programs;
7. suggestions for an administrative structure for implementing this project including options for contracting and subcontracting, nomination and selection of candidates, sponsorship arrangements, and program evaluations;
8. linkages to Kenya strategies and programs; and
9. suggestions concerning structured learning experiences and short term training/enrichment programs.

Findings of this report which are most germane to the technical feasibility of this project are the following:

- Numerous discussions with government, private sector and cooperative organization officials emphasized that there are still significant professional manpower shortages in Kenya.
- Kenya has not been able to train sufficient highly qualified professionals for the public and private sectors. To the extent that such training has occurred, overseas training and work experience have been highly valued by employers. In fact, preference in hiring is often given to those who have worked in international firms.

- There is a high demand for technical and managerial training of indigenous Kenyans. The private sector, until recently, however, believed that work experience rather than training in management was needed at the highest management levels. Growth in the private sector will increasingly depend upon modern technology and top flight management.
- Future leadership demands are most apparent in food and export crop production, agro-processing, and service industries, particularly in emerging urban areas.
- The majority of donor programs reach exclusively the public sector.
- While there are a large number of administrative institutions in both the public and private sector which are involved in training programs, none offer the quality or breadth of leadership and technical training which is needed to support the requirements of Kenyan development.

The analysis supports the project rationale and its focus on leadership and management. It has provided a background which has been drawn on extensively, particularly to develop the concept of an open, demand-driven participant selection process, to examine appropriate criteria for candidate selection and to develop thoughts and ideas on the types of training programs and enrichment activities which would best accomplish the project purpose.

B. Social Soundness

Provided below is a summary of the findings of the social soundness analysis which is presented in its entirety in Annex E.3.

1. Socio-cultural Context

The Kenyan economy continues to expand and become more diversified. As a result, there is an ever present demand for trained Kenyan leadership with the skills to manage complex administrative systems and to develop and carry out policies that will promote increased economic and social development.

Although there is a constant high demand for education in Kenya and the education sector consistently consumes a major share of public and private resources, in-country training opportunities of the kind and quality needed to meet the demand for trained leadership are currently inadequate. A significant number of students do not gain access to the university due to space limitations. Many students, due to the nature of the university placement system, are unable to pursue the course of study of their choice.

In the past, U.S. Government training programs have focussed on meeting the specialized needs of development projects or on training individuals to meet the specific development requirements of Kenyan institutions. By contrast, the focus of this project is to provide top quality leadership training and educational opportunities for Kenya's high potential leaders and to develop a dynamic leadership cadre during a period in which Kenya's own training institutions are being strengthened and expanded.

2. Beneficiaries

The primary group of beneficiaries are the approximately 90 individuals who will receive long term university level training in the United States. Each individual in this group will receive individualized counseling and specialized training during the summer periods which will enhance his/her leadership abilities. Also included in the primary beneficiary group are approximately 60-90 individuals who will receive training in U.S. short courses, sponsored by a variety of management and development institutions, to expand their capabilities to manage activities in both the private and public sector organizations in which they play leadership roles. One of the operational goals of this project is that those selected for training will be from a wide range of Kenyan society with a target that at least one-third to one-half will be women.

It is anticipated that those sent for training will receive benefits in terms of specialized leadership and educational training, professional advancement, increased financial and social status and the ability to use their enhanced leadership skills for the public/national good.

Indirect project beneficiaries are the families of the participants, colleagues and fellow-workers with whom they share ideas and ways of doing things and the organizations and firms for which they work and to which they will bring their enhanced knowledge and leadership skills.

Monitoring and evaluation activities, including interviews with trainees and employers, will assess the benefits to project participants, their organizations and employers.

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3. Participation

A considerable amount of time was spent interviewing local public and private sector institutions concerning their various training/manpower development activities. Kenya's leadership training needs and activities were explored with these institutions.

From the perspective of project implementation, this project has been designed to function within an open, demand driven framework in which the participants, insofar as possible, are self-nominated and self-motivated. The individual participants who will benefit from the long and short-term training programs will personally submit an application for training. They will be able to select their own subject area for university study. They will be counseled concerning which specialized short-courses are available to them and consulted concerning those courses in which they would like to participate. The sponsorship requirement means that employers, communities and families also participate in the process.

Full Kenyan participation will exist in final participant selection. A group of individuals from a wide range of backgrounds will be asked to serve on a participant selection committee for the individual interviews and selection activities for private sector candidates. Half of these committee members are targetted to be women. For the public sector, the Kenyan Directorate of Personnel Management will play the key role in participant selection. A.I.D. and contractor staff will participate in the selection process. Each selection panel will be urged to select candidates from the widest possible range of applicants who can put the training opportunity to the best use of the country as a whole.

4. Socio-cultural Feasibility

The scholarship program offered through this project is high quality, providing a group of individuals not only university training at top institutions in the U.S. but also the opportunity to participate in specialized enrichment activities as part of their program. This is considered essential since academic studies alone are insufficient to provide leadership capabilities. The project will focus on opportunities for strengthening leadership skills through a variety of special courses. More importantly, the project will require that long term trainees be involved in organizations and groups in which leadership and management skills are enhanced through delivering a product, such as planning for meetings, directing and completing tasks or providing a service on which others depend. In such ways the trainees will gain practical experience in exercising leadership skills which will be important on their return to Kenya.

A.I.D. has attempted to design this project to insure the selection of individuals from the widest possible backgrounds. Because there are inherent incentives for participation in the project there is also inherent the potential for family, ethnic or social considerations to impinge upon the selection process. A set of objective criteria have been developed to aid the selection process by committee members and to minimize the potential impact of social, ethnic and other non-objective criteria on the selection procedure (see Annexes E.1 and E.3). However, the potential for subjectivity may arise, given the composition of the committee itself and the requirement of the project that the applicants have sponsorship and recommendations/references from various sources.

Particular attention will be given by A.I.D. and the contractor to reaching candidates from all geographic areas and backgrounds so that all viable candidates will have the information required to apply and compete for these scholarships. Due to the fact that candidates who are women or who are from less developed regions within the country are likely to have lower levels of formal training, opportunities for undergraduate university training will be targeted primarily for these categories of candidates. All training categories will be open to women and they will be expected to participate equitably at all levels of project implementation, especially in the selection of trainees.

The monitoring and evaluation system will address equity concerns and help document the actual beneficiaries and benefits from the project.

5. Impact

To succeed, this leadership development program must have an impact beyond the personal growth and development of the participants themselves. Although the numbers are small, the effects of this leadership program will be felt throughout the private and public sectors of Kenya and will be measured by better managed government and private programs and improved businesses.

The final project evaluation will provide A.I.D. with an assessment of the results of this type of training program and the ability to measure the impact of both formal and informal U.S.-based training opportunities on individual participants and on their ability to use the training to enhance skills and fill leadership positions.

This project will provide training to at least 150 individuals. This is a comparatively small number. Nevertheless, all may not attain significant places of leadership and contribute to national development. However,

the design of the project has taken into account the desired goal of strengthening Kenya's leadership by providing not only technical and academic training but also by providing hands-on opportunities for participants to develop leadership skills.

C. Economic

The project represents a high quality, relatively high cost, high benefit approach to leadership development. The economic feasibility of the project is based on a careful selection of currently employed individuals who will return to guaranteed jobs with the specific skills required to enhance performance. It is expected that higher return to the investment in human resources will accrue by ensuring flexibility in individual trainee selection, careful design of individual training programs and aggressive follow up than might be expected from the more general training programs and that these efforts will thereby maximize the externalities which, though difficult to quantify, act to increase net project benefits.

In terms of the economic feasibility of training projects, the economic analysis (see Annex E.4) relied heavily on the Eastern African Universities Research Project, which remains the most comprehensive investigation of its type on the returns to investment in higher education for Eastern Africa. Social rates of return calculated for most occupational categories were an encouraging 10-22 percent. Most of the rates of return were within the range which could be supported utilizing A.I.D.'s notional discount rate of 15 percent, particularly given the significant differences between marginal and average costs which may exist in some U.S. educational institutions, and given the externalities alluded to above. Beyond social rates of return, the Research project provided direct evidence regarding the effect of training on work performance, as well as on important political, social and economic attitudes related to development which are directly related to the goal and purpose of this training project.

Given the assessment of the costs and likely benefits of the project itself and a review of the economics of other training activities in East Africa, it is concluded that the project is feasible from an economic perspective.

D. Administrative

The project is to be implemented under two separate obligations, one to the Government of Kenya for the public sector portion of the project and one directly to a contractor for the private sector portion. This arrangement obviously complicates the administration of the project, but is necessitated by GOK desire for a clear delineation between the private and public sector training activities since they do not wish to be either administratively or financially responsible for the private sector portion of the project.

As a consequence, half of the project will operate under a Project Grant Agreement with the Ministry of Finance with the Directorate of Personnel Management serving as the implementing agency. Obligating donor funds through the Ministry of Finance is standard practice in Kenya. Therefore, no unusual difficulty is likely to be encountered in obligating funds once all terms and conditions have been agreed upon. However, the Ministry continues to insist on holding ultimate implementation authority in its own hands, meaning signature of all implementing documents, without delegation to line ministries. With the exception of evaluation, financial services and a possible PSC contract, the bulk of the project's finances will pass through a single technical services contract. This will reduce the flow of documentation to the MOF and thus streamline implementation of the project.

The Directorate of Personnel Management will be the entity charged with the day-to-day oversight of the public sector portion of the project. The DPM is the designated GOK arm for arranging the selection and training of public service personnel. It has a staff which is dedicated to this purpose and handles a number of major participant training programs on behalf of the Government, such as the program being financed by CIDA. We have discussed with the DPM the administrative requirements of this project, and given the size and nature of the project, it is possible for them to undertake the selection of public sector trainees with a minimum of assistance from A.I.D. and the project contractor. A.I.D. will participate in the selection process itself and the contractor can provide some support services such as arranging for required testing and assuring that candidate dossiers are in order for placement, if required.

There is no corresponding body to the DPM in the private sector. Therefore, the contractor must play a much larger role in implementing the private sector portion of the project. The objective is not to establish any sort of permanent institution, but rather to structure a selection panel to which the contractor will act as secretariat. This is a workable arrangement. Private sector entities have indicated their willingness to provide representatives for the panel which will operate in many ways as a board of directors for the private sector portion of the project. In order to assure proper oversight, both A.I.D. and the Government of Kenya will be represented on the panel.

One contractor will be selected to work with both the private and public sector portions of the project in order to minimize the management burden created by the project and provide for a coordinated placement and monitoring process in the United States. It is recognized however, that the

arrangements noted above create administrative complications in terms of financing the contract through two different obligating mechanisms. Accounting for project funds is also made more complex by this arrangement. Accounting is further complicated by the lack of sufficient EHR account funds to finance the project, thus requiring its financing through several functional accounts. This problem will be alleviated if functional accounts are eliminated during the next fiscal year by new legislation.

Within USAID/Kenya, the administrative burden of overseeing the project's contractor and monitoring the day-to-day project activities will be handled by the HRD Office. Funds have been budgeted to allow HRD to hire a manpower development specialist to provide operational advice and implementation support if such additional services are required.

The contractor's personnel in Kenya will receive duty and tax free status in accordance with the Memorandum of Understanding to be signed between A.I.D. and the GOK regarding the private sector portion of the project.

E. Environmental

In the PID, Annex B, the Mission Director requested that this project be categorically excluded from further environmental review on the basis of A.I.D. Regulation 16, paragraph 216.2(c)(2)(i) because it is a training project with no activities directly affecting the environment. The Bureau Environmental Officer in AFR/TD/SDP, concurred in this exclusion on February 24, 1986. AFR/GC concurred in this finding on February 25, 1986. (See Annex E.5).

VII. Conditions, Covenants, and Negotiating Status

There is no requirement for any special conditions to disbursement of project funds. No new policies or major administrative changes are required to properly implement the public sector portion of the project. GOK assurances regarding support to the private sector training program and the interests of the contract team will be provided for in the Memorandum of Understanding to be signed concurrently with the Project Agreement.

The Government of Kenya will covenant in the Project Agreement to pay round trip international airfares and salaries and benefits due all public sector trainees according to standard GOK practice.

A Congressional Notification for the project cleared Congress with no objection on June 2, 1987. Under Delegation of Authority No. 551, the Director, USAID/Kenya is fully empowered to negotiate the required Project Agreement.

HO

Training for Development

ANNEX A.

GEOI	INDICATORS	VERIFICATION	ASSUMPTIONS
<u>GOAL:</u>			
To strengthen Kenyan's leadership for national development.	An increase in the number of Kenyan leaders with U.S.educational background. Progressive movement of project trainees into positions of increasing responsibility in government and the private sector.	Review of data in USAID's participant tracking system. Findings from two major project evaluations.	Candidate identification and selection procedures are successful in pinpointing leadership potential.

<u>PURPOSE:</u>	<u>EOPS</u>		
To provide increased training for Kenyans who will hold positions of significant responsibility in national development.	1. approx. 70-90 participants complete long-term training. 2. approx. 60-90 participants complete short-courses in U.S.	Training records (USAID, Contractor). Evaluation reports.	Participants selected complete programs. Final number of long-term trainees depends on final mix of BA, MA or PHD programs. Final number of long-term trainees depends on length of short-term programs. Generally, duration is expected to be between 1-3 months.

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Training for Development

GROI	INDICATORS	VERIFICATION	ASSUMPTIONS
<u>OUTPUTS:</u>			
1. Trainees			
Long-Term Participants	Approx. 30 graduates in FY91; 25 graduates in FY92; 30 graduates in FY93; and 5 graduates in FY94.	Management Contractor reports and records.	Qualified candidates available. Candidate identification, selection, placement procedures work efficiently enough to place the desired number of participants.
Short-Term Participants	Approximately 30 short-term person months of training per year.	USAID/Kenya monitoring reports. Evaluation reports.	

INPUTS:

A.I.D.

Budget (\$'000's)

1. Training	7,365	RFMC financial reports and records. Management Contractor(s) reports and records GCK/private sector salary data for participants	AID funds available
2. Management support	2,430		
3. Evaluation	175		
4. Audit	30		
TOTAL	10,000		

Kenya - Public Sector

1. Airfare and Pre-departure	230	GCK and private employer funding available for airfare and salaries during training
2. Salaries of participants	1,247	
3. Program Management	190	
TOTAL	1,667	

Kenya - Private Sector

1. Airfare and Pre-departure	190
2. Salaries of participants	2,905
TOTAL	3,095

TOTAL PROJECT 14,762

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ANNEX B

IMPLEMENTATION SCHEDULE
START-UP PHASE

<u>DATE</u>	<u>ACTION</u>	<u>ACTION AGENT</u>	<u>DOCUMENTATION</u>
<u>1987</u>			
August	PP Authorized	USAID/RFMC/RLA	Project Paper
	Pro-Ag Signed (for public sector)	USAID/MOF	Proj. Agreement
	Memorandum of Understanding Signed (for private sector)	USAID/MOF	MOU
Sept	Identify potential Gray Amendment contractors. Solicit qualification statements.	USAID/AID/W OSDBU	General Statement of work for solicitation.
	Initial PIO/T for contract signed	USAID/MOF/DPM	PIO/T
	DPM begins organizing to carry out public sector selection process.	DPM/USAID	Implementation Plan
Oct.	Qualification statements prepared	Potential Contractors	Qualification Statements
	USAID begins organiza- tion of private sector selection committee	USAID/private sector	Plan of Operations.
Nov.	Qualification statements reviewed. Contractor selected. Detailed proposal requested.	USAID/REDSO/ AID/W	

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<u>DATE</u>	<u>ACTION</u>	<u>ACTION AGENT</u>	<u>DOCUMENTATION</u>
	Initial short-term public sector trainees solicited	DPM/USAID	Training Notices
	(1st year short-term training will occur throughout the period with placement being conducted by ST/IT on basis of PIO/P documentation).		
Dec.	Contract Negotiated,	REDSO/ESA/RCO	Contract
	Private sector selection committee named.	USAID	Notification of establishment of committee.
	DPM fully organized to implement long-term candidate selection process.	DPM	
<u>1988</u>			
Jan.	Contractor begins mobilization in U.S.	Contractor	
	2nd PIO/T signed to add funds for private sector portion of contract.	USAID/REDSO	PIO/T
	DPM announces long-term scholarship opportunities for possible placement in Jan. '89	DPM/USAID	Announcements, Notices.
Feb.	TA contract amended to add funds for private sector	REDSO/ESA	Contract amendment.
	Contractor mobilizes field staff	Contractor	

<u>DATE</u>	<u>ACTION</u>	<u>ACTION AGENT</u>	<u>DOCUMENTATION</u>
<u>1988</u>			
March	Contractor establishes Nairobi office	Contractor	
	Applications begin arriving in DPM for public sector long-term training.	Applicants	
April	Screening commences for public sector candidates	DPM/USAID	
	Contractor begins organizing private sector selection process.	Contractor	
May	Contractor begins announcing short-term training opportunities for private sector candidates	Contractor	Advertisements
	Contractor announces first long-term training opportunities for private sector (for Sept. 1989)	Contractor	Advertisements
June	Screening of first long-term candidates completed. New selection cycle begins for September, 1989 intake.	DPM/USAID	
	Applications for private sector candidates received.	Contractor	
July	Final selection of long-term public sector candidates and beginning of placement activities	DPM/USAID/ Contractor	
	(placement process continues with attempt to place first candidates in January, 1989; any who cannot be placed at that time will be held over for placement in September, 1989).		

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<u>Date</u> <u>1988</u>	<u>Action</u>	<u>Action Agent</u>	<u>Documentation</u>
Aug- Sept.	Applications continue to be received for private sector candidates	Contractor	
Sept- Dec.	Screening, testing, review of private-sector candidates. Establishment of short list.	Contractor	Short-list of Candidates
<u>1989</u>			
Jan	First public sector long-term candidates enter training	Contractor/ Trainees/ Universities	
	Private Sector selection committee meets to choose candidates	Selection Committee	Letters to Candidates
Feb- June	Placement of selected candidates	Contractor/ U.S. Universities	
April	Candidate identification begins for September, 1990 placement	Contractor	
Sept	First long-term private sector candidates enter training	Contractor/Trainees/ Universities	

Regular Implementation Phase

Once the initial start-up phase is completed, a regular cycle of participant selection and placement will emerge for both public and private sector participants. This cycle is illustrated below:

April	Scholarship announcements placed and applications solicited for participants
June	Prospective candidates submit applications

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Aug- Sept Contractor or DPM reviews requests and evaluates applications, prepares short-list, and arranges for examinations.

Oct.- Nov. Professional testing/ counselling organized.

Jan-Feb Test results received

March Personal interviews conducted

April Choice of candidates finalized, medical examinations scheduled

PIO/Ps prepared

May- June Participants placed and accepted at universities

Sept Participants enter universities

The following schedule is illustrative of the actions which must take place throughout the year in the participant identification, selection and placement process for short-term training opportunities.

Month 1 Identification of ST training opportunities available 5 months hence

Month 2 Identification of ST training candidates

Month 3 Selection of ST participants

Month 4 Preparation of
PIO/Ps and pre-
departure activities

Month 5 Candidates depart

A mid-term evaluation will also be conducted in 1991,
according to the following illustrative plan.

June	PIO/T prepared for	USAID/DPM mid-term evaluation
July	Contractor selected	USAID/DPM for evaluation
Aug USAID		Contract/work order Executed
Sept- Oct	Mid-term evaluation	Contractor carried out

Project Phase Out

The project will be phased so that the last long-term masters level candidates enter training no later than September of 1993. All candidates are expected to complete training by July 1994. The final evaluation will be conducted according to a schedule similar to that shown above, procurement for which will commence in June, 1993 with the evaluation report completed by October, 1993. The PACD will be August 30, 1994.

ANNEX C

STATUTORY CHECKLIST

The FY 87 country checklist was prepared and included in the second amendment to the Structural Adjustment Assistance Program (615-0240).

A. GENERAL CRITERIA FOR PROJECT

1. FY 1987 Continuing Resolution

Sec. 523; FAA Sec. 634A.
Describe how authorization and appropriations committees of Senate and House have been or will be notified concerning the project

A Congressional Notification was sent on May 18, 1987 and expired without objection on June 2, 1987.

2. FAA Sec. 611(a)(1).
Prior to obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance, and (b) a reasonably firm estimate of the cost to the U.S of the assistance?

A financial plan, including detailed cost estimates, is included in the Project Paper. No engineering plans are required.

3. FAA Sec. 611(a)(2). If legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

No legislative action is required.

4. FAA Sec. 611(b); FY 1987 Continuing Resolution Sec. 501.
If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.)

Not applicable.

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? Not applicable.
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No. It is a country specific activity.
7. FAA Sec. 601(a). Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. Through training, which will be available to employees of private businesses or firms, cooperatives and credit unions, improved technical efficiency of industry, agriculture, and commerce should result. In turn, this will increase international trade, and foster private initiative and competition.
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). Through short-term study tours in the U.S., private sector employees will establish contacts with U.S. private businessmen. This should encourage U.S. private trade.

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9. FAA Sec. 612(b), 636(h).
Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?
11. FY 1987 Continuing Resolution Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?
12. FY 1987 Continuing Resolution Sec. 558. (as interpreted by conference report). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities (a) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct
- Organizations and enterprises, both public and private, will contribute to the trainees' support while they are in the U.S. They will also pay round trip air fares for the trainees. The U.S. owns no excess Kenya shillings which could be used in lieu of dollars.
- No, the U.S. does not own excess Kenyan currency.
- Not applicable.
- Not applicable.

competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (b) in support of research that is intended primarily to benefit U.S. producers?

13. FY 1987 Continuing Resolution Sec. 559. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?

Not applicable.

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14. FAA Sec. 118(c).
Does the assistance comply with the environmental A.I.D. procedures set forth in Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (a) stress the importance of conserving and sustainably managing forest resources; (b) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (c) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (d) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (e) help conserve forests which have not yet been degraded, by helping to increase production on lands already cleared or degraded; (f) conserve forested watersheds and rehabilitate those which have been deforested; (g) support training research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing;

Yes. A categorical exclusion was approved by the Africa Bureau Environmental Officer on February 25, 1986 and was concurred in by AFR/GC. The project does not specifically take into consideration the problem of the destruction of tropical forests.

(h) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (i) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (j) seek to increase the awareness of U.S. government agencies and other donors of the immediate and long-term value of tropical forests; and (k) utilize the resources and abilities of all relevant U.S. government agencies?

15. FAA Sec. 119(g)(4)-(6). Will the assistance (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (c) support efforts

Under this general training project, some training may be directed to improve capacity to prevent loss of biological diversity, although this is not the principal purpose of the training program.

to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

16. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt expenditure of project funds (either dollars or local currency generated therefrom)? **Not applicable.**
- 17 FY 1987 Continuing Resolution Sec. 532. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution? **No.**

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance
Project Criteria

- a. FAA Secs. 102(b), 111,
113, 281(a).

Describe extent to which activity will (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.

The training provided by this project will be available to all classes of Kenyan society on an equal basis. Likewise it will be available to employees of cooperatives and to women on an equal basis. The project will train Kenya's future leaders at appropriate U.S. institutions. This training will provide a Kenyan leadership better able to assist rural and urban poor to a better life, and better able to encourage democratic institutions.

- b. FAA Secs. 103, 103A, 104,
105, 106, 120-21. Does the project fit the criteria for the source of funds (functional account) being used?

Yes. 103, 104 105 and 106 monies will be used, unless the legislation regarding an African Development Fund is passed.

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- c. FAA Sec. 10. Is emphasis placed on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?
- The project is focussed on leadership and management skills. Appropriate technology is not specifically targeted, but could become a focus of individual training programs.
- d. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?
- Yes. The estimated host country contribution is in excess of 25 percent.
- e. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?
- The goal of the project is a strengthened Kenyan leadership for national development. An improved level of development will ultimately benefit all Kenyans, including the poor majority.
- f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual
- The training will be provided in response to felt needs and desires of the selected participants and of their sponsoring organizations. By providing U.S. degree and short term training to

resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

Kenya's leaders in a variety of fields it is expected that the institutions to which they return will be stimulated towards further development. Participant experience in U.S. society should enhance the skills required for effective leadership and participation in government processes essential to self-government.

- g. FY 1987 Continuing Resolution Sec. 540. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

No.

Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilization as a means of family planning?

No.

Are any of the funds to be used to pay for any biomedical research which rates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

No.

- h. FY 1987 Continuing Resolution. Is the assistance being made available to any organization or program which has been determined to support or participate in the management of a program of coercive abortion or involuntary sterilization?

No.

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If assistance is from the population functional account, are any of the funds to be made available to voluntary family planning projects which do not offer, either directly or through referral to or information about access to, a broad range of family planning methods and services?

Not applicable.

i. FAA Sec. 601(e).

Yes.

Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

j. FY 1987 Continuing Resolution.

The majority of project funds will be channelled through a technical services contract with a Gray Amendment entity.

How much of the funds will be available only for activities of economically and socially disadvantaged enterprise, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

k. FAA Sec. 118(c)(13).

Not applicable.

If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project (a) be based upon careful analysis of the alternatives

available to achieve the best sustainable use of the land, and (b) take full account of the environmental impacts of the proposed activities on biological diversity?

1. FAA Sec. 118(c)(14). No.
Will assistance be used for (a) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (b) actions which significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas?
- m. FAA Sec. 118(c)(15). No. Will assistance be used for (a) activities which would result in the conversion of forest lands to the rearing of livestock; (b) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands; (c) the colonization of forest lands; or (d) the construction of dams or other water control structures which flood

relatively undegraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

STANDARD ITEM CHECKLIST

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. PROCUREMENT

1. FAA Sec. 602(a). Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Yes.

2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? Yes.

3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? Kenya does not discriminate against U.S. marine insurance companies.

4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If non-U-S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) Not applicable.

5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of advanced developing Not applicable.

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countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.)

6. FAA Sec. 603. Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned u.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? **No.**
7. FAA Sec. 621(a). If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? **Yes.**

8. International Air Transportation Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? **Yes.**
9. FY 1987 Continuing Resolution Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? **Yes, such a provision will be included in all such contracts.**
10. FY 1987 Continuing Resolution Sec. 524. If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)? **Not applicable.**

B. CONSTRUCTION

1. FAA Sec. 6011(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? Not applicable.
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? Not applicable.
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP), or does assistance have the express approval of congress? Not applicable.

C. OTHER RESTRICTIONS

1. FAA Sec. 122(b). If development loan repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter? Not applicable.
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? Not applicable.
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-block countries? Yes.

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4. Will arrangements preclude use of financing:
- a. FAA Sec. 104 (f); FY 1987 Continuing Resolution Secs. 525, 540. (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; or (4) to lobby for abortion? (1) Yes. (2) Yes. (3) Yes. (4) Yes.
- b. FAA Sec. 483. To make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? Yes.
- c. FAA Sec. 620(g). To compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform programs certified by the President? Yes.
- d. FAA Sec. 660. To provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes.
- e. FAA Sec. 662. For CIA activities? Yes.
- f. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes.

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- g. FY 1987 Continuing Resolution Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? Yes.
- h. FY 1987 Continuing Resolution Sec. 505. To pay U.N. assessments, arrearages or dues? Yes.
- i. FY 1987 Continuing Resolution Sec. 506. To carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? Yes.
- j. FY 1987 Continuing Resolution Sec. 510. To finance the export of nuclear equipment, fuel, or technology? Yes.
- k. FY 1987 Continuing Resolution Sec. 511. For the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes.
- l. FY 1986 Continuing Resolution Sec. 516. To be used for publicity or propaganda purposes within U.S. not authorized by Congress? Yes.

ANNEX E

1. Technical

Introduction

This technical annex describes the salient points of the technical paper written by consultants F. Heegaard and G-C.M. Mutiso for use in the project design. It is organized into the following sections.

- a. Defining Leadership Needs for Kenya
- b. Characteristics of Kenya's New Leaders
- c. Participant Screening and Selection
- d. Contractor's Role
- e. Enrichment Training in the United States.
- f. Statistical Tables
 - (1) Other Donor Supported Manpower Training Programs
 - (2) Kenya Civil Service Projected Trained Manpower Supply 1979-1983
 - (3) High Level Positions Advertised in the Friday Daily Nation 1 February 1985 to 31 January 1986
 - (4) Directorate of Industrial Training: 1984 Activities

a. Defining Leadership Needs for Kenya

As a result of their research, Heegaard and Mutiso concluded that there are serious manpower shortages and deficiencies in training opportunities that effectively curtail the chances for a significant new generation of Kenyan African leadership to emerge. This, they found to be especially so in technical and managerial fields in the private sector. Three reasons were provided for this conclusion:

1. The colonial and post-colonial private sector developed along racial lines, with most manufacturing in European hands, and commerce in Asian hands. Thus, technicians and managers came from Europe and Asia, so few Africans were trained to take over key jobs, particularly for the growing number of technically-based businesses.
2. Unsurprisingly, most Africans did not actively seek to acquire management skills.
3. Hence, when "Africanization" did become a force, most Africans drawn into the system were personnel people or other generalists and very few came from such modern priority fields as engineering, finance, marketing and operations research.

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Today, however, Kenya's private sector, still "Africanizing", is in urgent need of new leaders with a new approach to leadership. The sector has come to a major divide, vitally in need of a real entrepreneurial spirit, new technology, new markets, a strong new technology base, and new management. Hence, the consultants conclude that "leadership training in technical and managerial human resources of the indigenous population is the only way to break the shortages, and reverse the marginalization of the majority".

Emphasizing key areas of Kenya's future development, the following are cited among the priority areas foreseen in which new leaders in both the private and public sectors will be of most critical importance at the turn of the century:

- * Resource-efficient agricultural technology, especially in food and export crop production.
- * Agro-processing industries which would help expand rural employment.
- * Broader, more sophisticated service industries (banking, information and communications, insurance, capital investments, etc.).
- * Local government, housing and urban development.

b. Characteristics of Kenya's New Leaders

To find and develop tomorrow's leaders, the project will focus on seeking and selecting candidates from a broad range of development-related fields in all key sectors of Kenyan society. Experts and scholars fail to agree on a single variable, set of traits or combination of characteristics that define leadership. However, most would concur that the following factors all play some role in encouraging the emergence of individuals who fill recognized leadership roles in their business, community or profession.

1. Personal drive, motivation and high energy level

Increases in drive are often observed in U.S. trained participants from cultures that are "slower moving" than the U.S.; there is also often a notable decrease after return to the host-culture. Where the individual can find an outlet for his or her new skills, the higher drive level can often be maintained. There are no training techniques, as

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such, that can permanently raise drive and motivation; rather, it is the sum total of the impact of the cross-cultural training experience on the individual, and the opportunities to use the training in the home culture, which determine the impact.

Selecting candidates for a high energy level is a good idea, as it takes high energy to cope successfully with a new culture and a new learning environment.

2. Clear personal goals

Individuals who have a clear sense of who they are and where they are going in their own development are more likely to achieve their goals than those more unfocused. Individuals should be selected for clarity and realism in their goals, as well as the relevance of their objectives to community and societal needs.

3. Capacity and skills in interpersonal relations

This factor was found to be highly significant in studies of characteristics of entrepreneur-managers in small, high growth, high tech industries in the United States. Interestingly enough, a high need to achieve, and strong need for power, both measured in the study, were of little significance if not matched by interpersonal skills (defined as "laissez faire management"). Leaders who were only interested in their own enhancement and took no interest in their co-workers and employees soon found themselves with high turnover and weak loyalties, as their technical workers went to the competition.

Guided experiences in group process analysis, management exercises and other training techniques which emphasize learning about self through others in a task-oriented environment are highly valuable for anyone, especially for those who will some day be leading others.

4. Experience and learning during formative years

Assessing such credentials is a tried and true criterion by which business and the university community select future leaders for training and employment.

5. Family/ethnic status in the community

Leadership potential is normally distributed among all classes, but it is generally only by means of education that individuals can move into leadership in a class other than the one into which they were born. The levelling effect of choosing equally among all groups, and the impact this can have on those previously disadvantaged, can have a major impact on groups previously unrepresented in the power structure, such as women and the rural poor.

6. Level of education, technical skills and competence

The attainment of a set of skills (accompanied by certification) which are not in plentiful supply in the market, and for which there is a demand, invariably enhances the power and social worth of the individual. This "power of expertise", especially when held by young individuals returned from abroad with new technical training, often clashes with the "power of position" held by older members who feel threatened by it. The more scarce and the more essential the skill, the more potential power returnees often have, and the more likely they are to end up in positions of influence as the older generation gradually vacates its positions. This factor is of extreme importance in post-colonial societies where the top managers are often educated in a generalist tradition, or minimally educated in obsolete and irrelevant subjects.

Technical training is one of the most powerful ways by which to enhance the leadership potential of the individual. Not only can he or she use himself or herself more effectively, but he or she will be permanently empowered in the market place of salable skills.

7. Professional standards and ethics

While this basic trait can be selected for, it is unlikely to be developed before the individual has been acculturated into a professional peer group and has internalized its norms. This is very difficult to do in a classroom, and very easy to do in a work experience situation. It is one of the most significant factors lacking in Third World countries,

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especially in the public service. It is also a key factor in leadership, since evidence of integrity and fairness is a major component in the amount of trust which peers and subordinates allocate to their manager and leader. Overseas training, which includes work experience, is one of the few types of interventions that can deal with this factor and it should be given explicit recognition in any cross-cultural training program.

8. Ability to utilize a given situation to the best advantage

This somewhat elusive factor, which could be called situational or political sense, was recognized in the early 1920's by Mary Parker Follett. It can include such skills as being able to speak or write well as the situation demands, and of "being your own chairperson" in any group setting.

It can be defined by a highly developed sense of awareness of self and others, of knowing what is "really going on" beneath all the verbiage. In a sense it is very close to No. 3, interpersonal skills, but it is also on a plane by itself because it involves a high level of cognitive ability combined with affective skills.

Role-playing, public speaking, group leading and training in expository writing, are all useful for developing this skill which is so essential to survival in organizational settings.

9. Risk-taking

The ability and willingness to take calculated risks is both a leadership and an entrepreneurial characteristic. Risk-taking behavior is related to the amount and quality of information available; to the capacity to process the information; to the perceived consequences of failure; and to the value assigned to the goals.

The perception of risk is usually subjective (we are excluding heroics here): What to the untrained and unskilled appears highly risky can often be done successfully by the trained professional.

It is to be expected that those with overseas training will return generally more willing to assume risks, including entrepreneurship, than will those without such experience.

10. Intelligence

As an element in leadership, this factor is most elusive and difficult to measure.

While it is acknowledged that educational psychology is of little assistance in providing suitable instruments, learning to collect data, to interpret and analyze situations and to make use of such factors to achieve social action and collective benefit is a kind of social learning which both management training and the overall overseas experience can and will enhance.

It is recommended that, in briefing candidates for the overseas learning experience, the contractor assist the participants in becoming aware of their learning styles and adapting to the more open style of learning prevalent in American culture and educational system. This should help them both to succeed in their degree programs, and adapt a life-long pattern of becoming learners and problem-solvers.

c. Screening and Selection

Long-term participants will be identified and chosen through as open, demand-driven, merit-based system as possible. This will be assured, in the case of private sector training, by adoption by the contractor and the participant selection committee of the outlined procedure. In the case of public sector training, the DPM will adapt as much of this procedure as possible into its existing candidate identification and selection process.

Summarized in the flow chart which follows, a seven-step procedure will take place to identify, screen and select project candidates with the greatest leadership potential. The steps include:

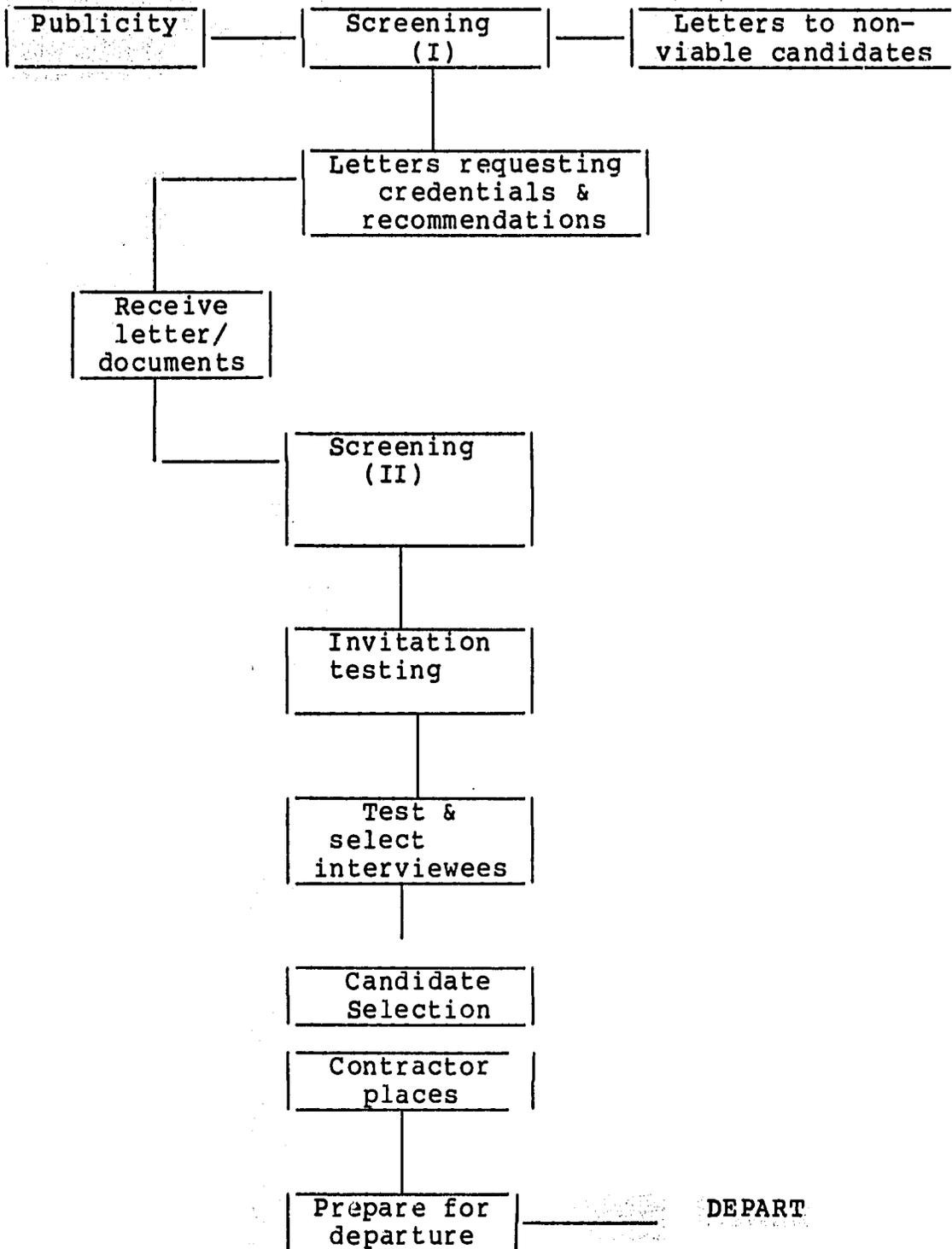
1. A newspaper advertisement or other forms of communication announcing the project's training program, which must be highly specific in terms of qualifications, submission dates and other required information.
2. Submission of applications and initial screening, by the contractor in the case of private sector candidates, and by DPM/USAID for public sector candidates. Guidelines concerning ethnic and gender distribution should be carefully observed at this stage when the applicant pool is largest and most diversified.

3. Record keeping and communication processes will be initiated, and word-processed letters, with sponsorship and other information-seeking forms, will be sent to each applicant.
4. Based on recommendations and other information received, the best candidates will be invited for testing and interviewing.
5. If the process has worked up to this point, the interviewers should then be faced with a task of interviewing not more than 60 - 80 candidates per year to supply an average of 20 candidates per year at a 4:1 ratio of interviewees to selected candidates. These interviews will have to be done during an "interviewing season" in order to process everyone in time for placement. Since a number of selected and even placed candidates will, for various reasons, not be able to go, additional, fully eligible candidates will have to be available to take their place.
6. Composition of the selection panels. The DPM will be responsible for establishing the panel for selection of public sector candidates. USAID/Kenya will be represented on this panel. The private sector panel will be convened as an independent body with representation from private industry, business associations, the academic community, the public sector (most likely DPM) and USAID/Kenya.
7. The selection committees will also have available the recommendations of relevant functional specialists, which would have already reviewed the backgrounds of the best candidates from each sector. Typically, representatives of line ministries, employers' groups, professional societies and university departments will participate in this process. Others will be identified and included according to the particular backgrounds of the most promising candidates for training.

The final selection of candidates will be based on an established set of weighted standards, of which the following is an example.

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FLOW CHART OF PROPOSED SCREENING AND SELECTION PROCESS



ILLUSTRATIVE SELECTION CRITERIA

Variable	Indicator	Points
EDUCATION		
1. Formal education	Records/Achievements	
2. Standardized Tests	Results/Ranking	
LEADERSHIP RECORD		
1. ACTIVITIES	Number and type of activities in which leadership demonstrated	
2. GOALS	Clearly defined, realistic personal goals which relate to national development	
3. CROSS-CULTURAL EXPERIENCE	Demonstrated leadership in situations involving other tribes, races, nationalities, etc.	
4. INTERPERSONAL SKILLS	Demonstrated ability to achieve goals within organizations served	
PERSONAL CHARACTERISTICS		
1. ABILITY TO USE SITUATION	Positive conduct, strong presentation at interview	
2. ETHICS/STANDARDS	Reaction to "critical incident" presented at interview (i.e. what would <u>you</u> do in this situation ...")	
3. SOCIAL INTELLIGENCE	Ability to discuss, interpret, story in current newspaper	
MISCELLANEOUS		
1. OTHER TRAINING	Self-sought, completed	
		Total Points

d. The Contractor's Role

1. Background

A Gray Amendment contractor will be selected to assist in the implementation of this project with strong and relevant training capabilities, both locally and in the United States. Locally, the contractor should have available the services of highly capable personnel (or a sub-contractor) familiar with Kenyan political, social and economic systems. Full access to, and strong linkages with, the institutions that will play a key role in the screening and selection of candidates will be necessary.

Administrative capacity, especially in record-keeping, correspondence and in closely linked communications with the placement, monitoring and support operations in the U.S. will be crucial.

Cross cultural experience and sensitivity on the part of the expatriate staff also will be necessary, since there will be a substantial interaction between Americans and Kenyans on a daily basis.

On the operations side, experience in placing, supporting and briefing participants will be considered a prerequisite for the chosen contractor.

Secondly, the contractor will need staff familiar with the design of cross-cultural orientation programs, both to design and implement their own, viz. entry and re-entry orientation, and also to guide cooperating U.S. institutions to meet the specific requirements of training Kenya's future leaders.

Present capacity to expand to meet the needs of this project will also be a critical factor in contractor selection. Such a capacity must include accounting and processing of timely payments for tuition, books and per diem; arranging for travel; academic, on the job, and other training.

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2. Proposed Role and Responsibilities of Contractor

- I. Establish working (sub-contractor) relationships in Kenya to effectively:
 - a. Advise and maintain liaison with local nominating and screening groups.
 - b. Provide local testing and screening of candidates for U.S. admissions, including verification and "matching" of academic credentials.
 - c. Provide test preparation for most promising candidates who will take U.S. standardized admissions tests.
 - d. Provide cross-cultural pre-departure and re-entry orientation and counselling for candidates and graduates.
 - e. Respond to all applications and enquiries received from individuals and organizations regarding the scholarship program.
 - f. Form and act as secretariat for project selection committees.
 - g. Maintain liaison with USAID and GOK in matters concerning the program.
- II. Provide services from U.S. based office, i.e.
 - a. Participant placement in schools, training programs and OJT sites.
 - b. Monitor and support participants studying in the USA, e.g., counselling, legal advice, tutoring arrangements, per diem, tuition payments, travel, trouble shooting, etc.
 - c. Maintain records of grades, progress reports and accounts.
 - d. Help design and redesign specialized courses and training programs to meet specific training needs of individuals.

- e. Ensure that participants complete all requirements and return to their jobs, as planned and agreed on in training plans.

e. Enrichment Training in the U.S.

Central to the success of the project, of course, is the degree to which the program significantly improves the chances and accelerates the process of imbuing its participants with the attributes, skills and characteristics likely to help them attain positions of significant leadership in Kenyan society. Not only must the project participants excel in their tailored, top-quality university programs: to succeed, they must also actually experience, and measure themselves against the real-world standards set by the doers, the movers and the shakers whose ranks they aspire to join back home in Kenya. For that reason, a particular effort will be made to arrange and provide significant complementary leadership training, knowledge and "hands-on experience" to these unique participants. Some examples will include carefully supervised and monitored enrichment training, such as the following:

- * Work in an advertising agency to help design a new media campaign for a consumer products account.
- * Take a six weeks course at NY World Trade Center Institute in international marketing management.
- * Follow a summer course at the Economic Development Institute, Boulder, Colorado, on development economics.
- * Spend a semester to understudy the general manager of Cornell University's student-run campus hotel.
- * Enroll in a summer Outward Bound course in the Rocky Mountains.
- * Work for a summer at a Great Lakes port authority depot helping to schedule grain shipments to Africa.
- * Intern with the registrar's office during semester registration at a busy municipal community college.
- * Help to plan, organize and conduct a large professional society's annual convention (e.g., casualty or life insurance brokers).
- * Work for six months in a small-town bank in the farm-belt on the farm mortgage portfolio.

- * Work with a corporate front office to prepare for, conduct and follow up an annual stockholders' meeting.
- * Take an intensive National Training Labs (NTL) course on management and human behavior at Bethel, Maine.
- * Work for three months in the land use and recreation planning section of a state forestry department.
- * Intern in the marketing division of a business text book publishing company for a summer.
- * Cover the territory for one month with a salesman for a large auto spare parts wholesale firm.
- * Serve on the night staff of the admissions office of private urban hospital.
- * Work for two months at state headquarters with a union PAC to help mount a campaign for membership support for a slate of political candidates.
- * Intern for a summer with a business lobby group in Washington, D.C. working to have Congress pass new deregulatory legislation.
- * Participate in planning and implementing a membership opinion survey on women's economic status with the General Federation of Women's Clubs (or similar group).
- * Accompany a team of buyers from a West Coast department store on an annual buying trip to visit NY drygoods wholesalers.

f. Statistical Tables

Donor Sponsored Kenyan Trainees Abroad: Annual Flow (1986)*

<u>Country</u>	<u>Degree/Short-term</u>	<u>Notes</u>
Austria	20	
Belgium	5	
Canada	100	
Denmark	30	All short-term, some third country
Egypt	10	
Finland	5	
France	20	
Germany (FRG)	120	
India	60	
Japan	60	
Korea	15	
Netherlands	30	
Norway	10	
Poland	20	
Sweden	40	All short-term, some third country
U.S.A.	86	Does not include USAID contractor sponsored participants
U.K.	725	Includes both government and non-government fellowships. 12-week minimum course.
TOTAL	1325	

* Source: DPM Office

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KENYA CIVIL SERVICE PROJECTED TRAINED MANPOWER SUPPLY 1979-83

CADRE \ YEAR	1979/80	1980/81	1981/82	1982/83	TOTAL SUPPLY BY 1983
DOCTORS	189	105	115	130	539
CLINICAL OFFICERS	163	110	109	109	491
REGISTERED NURSES	327	180	180	180	867
ENROLLED NURSES	1142	643	671	671	3127
DENTISTS	48	22	28	30	128
DENTAL TECHNOLOGISTS	7	5	5	5	22
PHARMACISTS	52	30	30	33	145
PHARM. TECHNOLOGISTS	45	31	31	31	138
PUBLIC HEALTH OFFICERS	39	22	22	22	105
PUBLIC HEALTH TECHNS.	174	135	135	135	579
AGRICULTURAL OFFICERS	120	136	145	181	582
ASST. AGRIC. OFFICERS	107	120	145	160	532
AGRICULTURAL ASSTS.	274	309	282	393	1258
VETERINARY OFFICERS	30	45	61	75	211
ANIMAL HUSBANDRY OFFICERS	6	10	18	24	58
ASST. ANIMAL HUSBANDRY OFFICERS	41	32	36	36	145
ANIMAL HEALTH ASSTS.	81	63	184	72	400
SURVEYORS/ PHOTOGRAMMETRISTS	60	66	69	69	264
SURVEY/PHOTOGRAM. ASSTS.	286	141	140	134	701
CARTOGRAPHERS	20	22	25	26	93
MECHANICAL ENGINEERS	16	20	21	23	80
MECHANICAL INSPECTORS	44	35	31	23	133

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CADRE \ YEAR	1979/80	1980/81	1981/82	1982/83	TOTAL SUPPLY BY 1983
CIVIL/ROADS ENGINEERS	17	21	26	28	92
CIVIL/ROADS INSPECTORS	19	25	25	25	94
ELECTRICAL ENGINEERS	19	21	23	26	89
ELECTRICAL INSPECTORS	16	12	12	12	52
MATERIAL ENGINEERS	2	2	2	3	9
STRUCTURAL ENGINEERS	7	7	7	7	28
BUILDING INSPECTORS	26	40	40	40	146
WATER ENGINEERS	40	40	40	40	161
WATER INSPECTORS	90	46	46	46	228
TELECOM. ENGINEERS	16	26	30	40	112
TECHNICIANS	181	137	120	170	608
MECHANICS	47	143	74	77	341
ARTISANS	234	292	268	262	1056
ARCHITECTS	12	10	10	9	41
DRAUGHTSMEN	25	19	21	21	86
LAB. TECHNOLOGISTS	91	87	83	84	345
LAB. TECHNICIANS	136	106	106	100	448
LEGAL OFFICERS	16	13	12	12	53
ECONOMISTS/PLANNERS	8	16	23	23	64
STATISTICIANS	3	5	4	4	16
ACCOUNTANTS	9	14	12	14	49
AUDITORS	24	22	22	22	90

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ATTACHMENT IV

HIGH LEVEL POSITIONS ADVERTISED IN FRIDAY DN 1ST FEBRUARY TO
31ST JANUARY 1986

	LAW	COMP- UTER	HOTEL	AGRIC ULTURE	MEDI- CINE	ACCOUNT- ING	MANAGE- MENT	ENGI- NEERING	TOTAL
FEB. 1985	1	3	3	9	14	26	8	17	81
MARCH	3	3	1	3	4	34	6	20	74
APRIL	5	2	8	2	3	20	8	9	57
MAY	0	7	9	7	10	39	11	16	99
JUNE	0	4	2	6	3	42	9	20	86
JULY	2	2	9	9	12	38	9	20	101
AUG.	1	1	3	6	11	35	16	27	100
SEPT.	1	2	1	1	6	35	5	21	72
OCT.	3	1	1	4	3	27	7	17	63
NOV.	0	3	11	5	15	43	16	35	128
DEC.	0	2	6	4	3	22	9	20	66
JAN. 1986	2	6	6	9	11	44	12	33	127
TOTAL	18	36	60	65	95	405	116	255	1050

ATTACHMENT VII

DIRECTORATE OF INDUSTRIAL TRAINING: 1984 ACTIVITIES

	Apprenti- ceship	Craft/ Technician	Local Management	Overseas Training
Building	267	203	52	1 (Electroplating)
Plantation	168	108	612	6 (Management)
Printing	19	3	137	2 (Management)
Engineering	500	277	106	19 (11 Electronics 8 Plastic Technology)
Commercial/ Insurance	9	8	1110	5 (Insurance)
Sawmilling	56	2	17	0
Food Processing	77	57	390	11 (Food Technologi
Chemical/ General Manufacturing	68	17	915	40 (Management)
Motor	248	196	336	18 (Management)
Textile	132	94	489	33 (Textile Technicians)
Banks	<u>9</u>	<u>1</u>	<u>363</u>	<u>7</u> (Management)
Total	1554	966	4527	142

ATTACHMENT VIII

DIRECTORATE OF INDUSTRIAL TRAINING: 1984 SECTOR TRAINING INCOME
AND EXPENDITURE

Sector	Income	Expenditure	I-E
Building	2,465,173.60	5,457,680.70	-
Motor	3,301,247.95	2,652,007.55	+
Printing	957,479.70	2,287,212.05	-
Engineering	5,497,987.30	5,391,414.10	+
Commercial	2,284,801.55	5,331,510.90	-
Sawmilling	1,810,170.95	1,345,590.95	+
Plantations	1,562,357.45	2,958,377.40	-
Textiles	5,985,396.05	15,212,125.75	-
Chemical	5,543,639.60	4,897,967.75	+
Food Processing	3,663,615.30	5,815,195.30	-
Banks	3,965,331.75	3,898,607.75	+

2. Financial Analysis

a. Budgetary Assumptions

The detailed budget which analyzes all costs on a time and/or unit basis is contained in Table 6. The budget assumptions on which this table was constructed are contained in Tables 7-9. These tables, as well as a detailed breakdown of the foreign exchange and local currency costs by line item follow this section. The budget builds on the time phasing of contractor technical assistance activities both in Kenya and at the United States office as illustrated in Table 6 and the training schedule (new entrants per year) presented in Table 9. Where the time phasing shows a person spending 6 months of time (either in Kenya or the home office), then the budget is fixed at six times the monthly salary presented in Table 7. Similarly, long-term training is budgeted on the basis of new entrants beginning training in September of each year, with the exception of FY 88 when the first group of students will enter their university programs in January. All student programs are based upon a 12 month year.

Inflation factors of 10% for local currency costs and 5% for foreign exchange costs, compounded annually, commencing in FY89 have been including either within a budget line item or as a separate line item for cost categories.

b. Detailed Assumptions

(1) Training

(a) Long-term training in the United States costs US\$20,200 per year (1986 estimates - Handbook 10, excluding the management overhead of OIT). To this, \$5,000 per year has been added for leadership training in specialized courses or other enrichment activities. All trainees are fully funded at the beginning of their entry year for both academic and specialized training. The following assumptions are made for all training, both private and public sector:

A total of 13 persons will undertake B.A./B.S. training for 52 person years of training.

A total of 67 persons will depart for long-term M.A./M.S. training receiving 128 person years of training.

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A total of 12 persons will receive 36 person years of Ph.D level training. By building upon previously acquired Masters level training, it is assumed that this can be accomplished in 3 years.

(b) Short-term training in the United States averages \$6000 per month (\$1000/week tuition/fees and \$2000 (\$66/day) per diem). Courses will average 3 months in duration. Commencing in FY 88, ten to eleven persons per year will go to the United States for short courses.

(2) Management Contract Assumptions

(a) A home office management team will consist of a supervisory project manager, a project director, project assistant and secretary. The level of effort of each individual is shown in Table 6 and salary/benefit levels are presented in Table 7. Level of effort of home office personnel will increase with the number of students to be placed and monitored over the life of the project.

(b) A contract Project Coordinator will be resident in Kenya for four years at a cost of \$123,000 per year. This person will manage primarily the screening and selection of private sector candidates. Assisting this individual will be a local staff consisting of an administrative assistant, one secretary, and a driver/messenger. Salary/benefit levels of all field staff members are also found in Table 7.

(c) Office operations and maintenance costs are based on similar contracts for training projects elsewhere in Africa. The best estimate of office O&M costs is 15% of personnel at each location. Office rental and vehicle maintenance costs, on a monthly basis, and local commodity estimates are presented in Table 8 and are based on the actual costs of these items for current projects in Kenya.

(d) A number of other costs have been included within the management contract. These include an administrative fee of 2% to be paid to the contractor for financial management of scholarship funds, maintenance payments to students, etc.; professional membership fees to be paid on behalf of students at the end of their educational experience (\$100/year for three years. The total \$300 is budgeted during the exit year to facilitate payments to those who graduate during the final project year); off-shore commodities, namely, one sedan and one hard disk micro-computer; and honoraria to be paid to the Kenyan selection committee members. Actual costs of testing

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will be borne by the candidates themselves. A selection committee will meet on a semi-annual basis to assist in the selection of private sector individuals with high leadership potential. Assuming a committee composed of five persons, each person will receive an honorarium payment of \$100 per session.

(e) In order to have confidence in the financial management capabilities of the selected contractor, several financial reviews will be conducted. These will take place prior to commencement of contractor activities and biannually thereafter. \$30,000 has been budgeted for these reviews. These funds will be included in the project agreement.

(3) Personal Services Contract

An individual may be employed to work with the Office of Human Resources Development, if necessary. Funds have been budgeted to cover five years. A base salary for this individual and other benefits are presented in Table 7.

(4) Evaluations

Evaluations have been scheduled during years four and seven of the project. The mid-term evaluation is budgeted at \$75,000 and the final evaluation at \$100,000.

c. Kenya Contribution Assumptions

(1) Training

(a) Government of Kenya and private sector employers will sponsor participants of the program by paying round trip airfares and continuing salary/benefit payments to families while individuals are in training programs.

B.A. and M.A. students will each have one round trip to the United States.

Ph.D. students will return to Kenya after the second year of their program to conduct dissertation research in Kenya. They will return to the U.S. to complete and defend the dissertation.

The Government will contribute 80% of the salary and benefits paid to the individual during training. The remaining 20% is the individual's contribution to training. The base salary and benefit package for public sector is \$6000 per year or \$500 per month for long-term training and \$10,000 per year or \$833 per month for short-term training.



The Government will also contribute, on an in-kind basis, approximately \$2240 per participant (average) in management and support costs related to screening and selection of public sector participants.

The private sector contribution is based on the assumption that each sponsor will pay at least one half of the salary and benefit package of the participant during training while the individual will contribute the other half, although this is a matter for negotiation between each individual participant and his/her employer or sponsor. The base salary and benefit scale of the private sector is estimated at \$18,000 per year or \$1500 per month for long-term training and \$30,000 per year or \$2500 per month for short-term training.

It has been assumed that high level individuals will be sent to the U.S. for specialized short courses and that their salary levels will be respectively higher than the long-term trainees. Salary levels mentioned above are based on published statistics for each sector.

It is assumed that four times the number of participants will be tested by the Educational Testing Service. The cost of this testing has been budgeted at four times \$70 or \$280 per actual entrant.

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Table 5
Detailed FX/LC Budget by Fiscal Year
(US\$)

	FY88		FY89		FY90		FY91		FY92		FY93		FY94		TOTAL		Combined	
	FX	LC	FX	LC	Total													
MANAGEMENT CONTRACT																		
Home Office																		
Personnel																		
Proj. Supervisor	17400		17400		17400		17400		17400		17400		17400		121800	0	121800	
Proj. Director	20400		40800		81600		81600		81600		81600		61200		448800	0	448800	
Proj. Assistant	0		6200		12400		18600		18600		15500		6200		77500	0	77500	
Secretary	4600		13800		20700		20700		20700		20700		13800		115000	0	115000	
Subtotal	42400		78200		132100		138300		138300		135200		98600		763100	0	763100	
Other Direct Costs																		
Office O&M	6360		11730		19815		20745		20745		20280		14790		114465	0	114465	
Professional Membership Fees	0		0		0		10800		6000		8700		1290		26700	0	26700	
Subtotal	6360		11730	0	19815	0	31545	0	26745	0	28980	0	15990	0	141165	0	141165	
Commodities (Off-shore)	25000														25000	0	25000	
Administrative Costs (2%)	3960		64440		33696		25392		3600		3600		0		134688	0	134688	
Subtotal	77720		154370		185611		195237		168645		167780		114590		1063953	0	1063953	
Fee (BI)	6218		12350		14849		15619		13492		13422		9167		85116	0	85116	
Inflation (5%)	0		7719		18561		31235		35415		46978		38961		178872	0	178872	
Total Home Office	83938		174438		219021		242094		217552		228181		162718		1327941	0	1327941	
Field Office																		
Personnel																		
Proj. Coordinator	51500	10000	103000	20000	103000	20000	103000	20000	51500	10000				412000	80000	492000		
Admin. Assistant		7800		15600		15600		15600		7800		0	0	0	52400	62400		
Exec. Secretary		6600		13200		13200		13200		6600		0	0	0	52800	52800		
Driver/Messenger		2000		4800		4800		4800		2400		0	0	0	18900	18900		
Subtotal	51500	26400	103000	53600	103000	53600	103000	53600	51500	26800	0	0	0	412000	214000	626000		
Other Direct Costs																		
Office O&M		11685		23490		23490		23490		11745		0	0	0	93900	93900		
Office Rent		4500		9000		9000		9000		4500		0	0	0	36000	36000		
Vehicle O&M		1500		3000		3000		3000		1500		0	0	0	12000	12000		
Local Commodities		10805		0		0		0		0		0	0	0	10805	10805		
Honoraria Selection Committee		500		1000		1000		500		500		0	0	0	3500	3500		
Subtotal	0	28990	0	36490	0	36490	0	35990	0	13245	0	0	0	0	156205	156205		
Subtotal Field Office	51500	55390	103000	90090	103000	90090	103000	89590	51500	45045	0	0	0	412000	370205	782205		
Fee (BI)	8551		15447		15447		15407		7724		0	0	0	62576	0	62576		
Inflation (5%)	0		9655	0	19309	0	30814	0	20274	0	0	0	0	80052	0	80052		
Total Field Office	60051	55390	128102	90090	137756	90090	149222	89550	79498	45045	0	0	0	554629	370205	924834		
TOTAL MANAGEMENT CONTRACT																		
	143989	55390	302540	90090	356777	90090	391315	89590	297050	45045	228181	0	162718	0	1882570	370205	2252775	
PERSONAL SERVICES CONTRACT																		
	32400		34020		35640		37524		39204		0			178848	0	178848		
GOX MANAGEMENT SERVICES																		
		13440		71680		42560		38080		13440		11200		0	0	190400	190400	

Table 5
Detailed FI/LC Budget by Fiscal Year
(US\$)

	FY88		FY89		FY90		FY91		FY92		FY93		FY94		TOTAL		Combined Total	
	FI	LC	FI	LC	FI	LC	FI	LC	FI	LC	FI	LC	FI	LC	FI	LC		
TRAINING																		
Scholarships																		
B.S./B.A.	0		907200		403200		0		0		0		0		1310400	0	1310400	
M.S./M.A.	0		1663200		856800		856800		0		0		0		3376800	0	3376800	
Ph.D.	0		453600		226800		226800		0		0		0		907200	0	907200	
Subtotal	0		3024000		1486800		1083600		0		0		0		5594400	0	5594400	
Short term	198000		198000		198000		186000		180000		180000		0		1140000	0	1140000	
Subtotal Scholarships	198000		3222000		1684600		1269600		180000		180000		0		6734400	0	6734400	
Inflation	0		161100		165460		203136		37800		61200		0		631716	0	631716	
Total Scholarships	198000		3383100		1850060		1472736		217800		241200		0		7366116	0	7366116	
Airfares/Predepart																		
B.S./B.A.	0		22500		10000		0		0		0		0		0	32500	32500	
M.S./M.A.	0		62500		42500		42500		0		0		0		0	167500	167500	
Ph.D.	0		15000		15000		15000		15000		0		0		0	60000	60000	
Subtotal	0		120000		67500		57500		15000		0		0		0	260000	260000	
Short term	27500		27500		27500		25000		25000		25000		0		0	157500	157500	
Subtotal Airfares/Predepart	27500		147500		95000		82500		40000		25000		0		0	417500	417500	
Salary Costs																		
B.S./B.A.	0		53000		116000		156000		156000		110000		40000		0	631000	631000	
M.S./M.A.	0		179000		431000		456000		373000		169000		0		0	1608000	1608000	
Ph.D.	0		33000		78000		114000		111000		66000		30000		0	432000	432000	
Subtotal	0		265000		625000		726000		640000		345000		70000		0	2671000	2671000	
Short term	54978		54978		54978		51646		49980		49980		0		0	316540	316540	
Subtotal Salaries	54978		319978		679978		777646		689980		394960		70000		0	2987540	2987540	
Testing Costs	7000		7560		6720		5600		0		0		0		0	26880	26880	
Subtotal Local Training Costs	89478		475038		761678		865746		729980		419980		0		0	3431920	3431920	
Inflation (10%)	0		47504		164157		285696		335791		256180		0		0	1143235	1143235	
Total Local Training Costs	89478		522542		945835		1151442		1065771		676168		0		0	4575155	4575155	
TOTAL TRAINING	198000	89478	3363100	522542	1853280	945635	1472736	1151442	217800	1065771	241200	676168	0	123900	7366116	4575155	11941271	
EVALUATION/FINANCIAL REVIEWS	10000		0		10000		75000		10000		0		100000		205000	0	205000	
TOTAL PROJECT COSTS	384389	158308	3719660	684312	2255697	1076505	1976635	1279112	564054	1124256	469381	687368	262718	123900	9632534	5135760	14768294	

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Table 6
Detailed Budget by Fiscal Year
(US\$)

	FY88		FY89		FY90		FY91		FY92		FY93		FY94		TOTAL
	Time/Unit	Cost	Time/Unit	Cost	Time/Unit	Cost	Time/Unit	Cost	Time/Unit	Cost	Time/Unit	Cost	Time/Unit	Cost	COST
MANAGEMENT CONTRACT															
Home Office															
Personnel															
Proj. Supervisor	2	17400	2	17400	2	17400	2	17400	2	17400	2	17400	2	17400	121800
Proj. Director	3	20400	6	40800	12	81600	12	81600	12	81600	12	81600	9	61200	488800
Proj. Assistant	0	0	2	6200	4	12400	6	18600	6	18600	5	15500	2	6200	77500
Secretary	2	4600	6	13800	9	20700	9	20700	9	20700	9	20700	6	13800	115000
Subtotal	7	42400	16	78200	27	132100	29	138300	29	138300	28	135200	19	98600	763100
Other Direct Costs															
Office O&M (15% of Personnel)		6360		11730		19815		20745		20745		20280		14790	114445
Professional Membership Fees							36	10800	20	6000	29	8700	4	1200	26700
Subtotal		6360	0	11730	0	19815	36	31545	20	26745	29	28980	4	15990	141165
Commodities (Off-shore)		25000													25000
Administrative costs (2%)		3960		64440		33676		25392		3600		3600		0	134688
Subtotal Home Office Costs		77720		154370	27	185611	65	195237	49	168645	57	167780	23	114590	1063953
Fee (8%)		6218		12350	2	14849	5	15619	4	13492	5	13422	2	9167	85116
Inflation (5%)		0		7719		18561		31238		35415		46978		38961	178872
Total Home Office		83938		174438	29	219021	70	242094	53	217552	62	228181	25	162718	1327941
Field Office															
Personnel															
Proj. Coordinator	6	61500	12	123000	12	123000	12	123000	6	61500	0	0	0	0	492000
Admin. Assistant	6	7800	12	15600	12	15600	12	15600	6	7800	0	0	0	0	62400
Exec. Secretary	6	6600	12	13200	12	13200	12	13200	6	6600	0	0	0	0	52800
Driver/Messenger	5	2000	12	4800	12	4800	12	4800	6	2400	0	0	0	0	18800
Subtotal	23	77900	48	156600	48	156600	48	156600	24	78300	0	0	0	0	626000
Other Direct Costs															
Office O&M (15% of Personnel)		11665		23490		23490		23490		11745		0		0	93500
Office Rent	6	4500	12	9000	12	9000	12	9000	6	4500	0	0	0	0	36000
Vehicle O&M	6	1500	12	3000	12	3000	12	3000	6	1500	0	0	0	0	12000
Local Commodities		10805													10805
Honoraria-Selection Committee	1	500	2	1000	2	1000	1	500	1	500	0	0	0	0	3500
Subtotal		28990		36490		36490		35990		18245		0		0	156205
Subtotal Field Costs		106890	48	193090	48	193090	48	192590	24	96545	0	0	0	0	782205
Fee(8%)		8551		15447	4	15447	4	15407	2	7724	0	0	0	0	62576
Inflation (5%)		0		9655		19309		30814		20274		0		0	80052
Total Field Costs		115441		218192	52	227846	52	238812	26	124543	0	0	0	0	924834
TOTAL MANAGEMENT CONTRACT		199379		392630	81	446867	122	480905	79	342095	62	228181	25	162718	2252775
PERSONAL SERVICES CONTRACTOR	12	32400	12	34020	12	35640	12	37584	12	39204					178848
GOV MANAGEMENT SERVICES	6	13440	32	71660	19	42560	17	38080	6	13440	5	11200		0	190400

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Table 6
Detailed Budget by Fiscal Year
(US\$)

	FY88		FY89		FY90		FY91		FY92		FY93		FY94		TOTAL
	Time/Unit	Cost	Time/Unit	Cost	Time/Unit	Cost	Time/Unit	Cost	Time/Unit	Cost	Time/Unit	Cost	Time/Unit	Cost	COST
TRAINING															
Long Term Scholarships															
B.S./B.A.	0	0	9	907200	4	403200	0	0	0	0	0	0	0	0	1310400
M.S./M.A.	0	0	33	1663200	17	856800	17	856800	0	0	0	0	0	0	3376800
Ph.D.	0	0	6	453600	3	226800	3	226800	0	0	0	0	0	0	907200
Subtotal	0	0	48	3024000	24	1486800	20	1083600	0	0	0	0	0	0	5594400
Short Term Scholarships	33	198000	33	198000	33	198000	31	186000	30	180000	30	180000	0	0	1140000
Subtotal Scholarships	33	198000	81	3222000	57	2684800	51	1269600	30	180000	30	180000	0	0	6734400
Inflation (5%)		0		161100		168480		203136		37800		61200		0	631716
Total Scholarships		198000		3383100		2853280		1472736		217800		241200		0	7366116
Airfares and Predeparture															
Long Term															
B.S./B.A.	0	0	9	22500	4	10000	0	0							32500
M.S./M.A.	0	0	33	82500	17	42500	17	42500							167500
Ph.D.	0	0	6	15000	6	15000	6	15000	6	15000	0	0			60000
Subtotal	0	0	48	120000	27	67500	23	57500	6	15000	0	0			260000
Short Term															
Subtotal	11	27500	11	27500	11	27500	10	25000	10	25000	10	25000			157500
Subtotal Airfare/Predepart	11	27500	59	147500	38	95000	33	82500	16	40000	10	25000			417500
Salary Contribution															
Long Term															
B.S./B.A.	0	0	53	53000	116	116000	156	156000	156	156000	110	110000	40	40000	631000
M.S./M.A.	0	0	179	179000	431	431000	456	456000	373	373000	169	169000	0	0	1609000
Ph.D.	0	0	33	33000	78	78000	114	114000	111	111000	66	66000	30	30000	432000
Subtotal	0	0	265	265000	625	625000	726	726000	640	640000	345	345000	70	70000	2671000
Short Term Subtotal	33	54978	33	54978	33	54978	31	51646	30	49960	30	49960	0	0	316540
Subtotal Salary		54978		319978		679978		777646		669960		394960		70000	2987540
Testing Costs (per entrant)	25	7000	27	7560	24	6720	20	5600							26880
Subtotal Local Training Costs		89478		475038		781098		865746		729960		419960		70000	3431920
Inflation (10%)		0		47504		164157		285696		335791		256168		53900	1143235
Total Local Training Costs		89478		522542		945255		1151442		1065751		676168		123900	4575155
TOTAL TRAINING		287478		3905642		2799135		2624178		1283371		917368		123900	11941271
EVALUATION/FINANCIAL REVIEWS															
		10000				10000		75000		10000				100000	205000
TOTAL PROJECT COSTS		542697		4403972		3334202		3255748		1688310		1156749		366018	14768294

Table 7
Management Contract - Personnel

	Salary	Fringes (25%)	Overhead (60%)	Travel	School	Housing	Subtotal	Per Mo.	Rounded
Home Office									
Project Supervisor	50000	12500	30000	12000			104500	8708	8700
Project Director	40000	10000	24000	8000			82000	6833	6800
Program Assistant	20000	5000	12000				37000	3083	3100
Secretary	15000	3750	9000				27750	2313	2300
Field Office			(30%)						
Project Coordinator	40000	10000	12000	30000	11000	20000	123000	10250	10250
Admin. Assistant	10000	2500	3000				15500	1292	1300
Exec. Secretary	8500	2125	2550				13175	1098	1100
Messenger/Driver	3000	750	900				4650	388	400
Personal Services Contractor	30000	2250					32250	2688	2700

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Training for Development: 8/19/87

Table B
Commodities & Operations/Maintenance

Commodities	Price each	Contract Quantity	Cost
Office Furniture			
Executive Desks	250	1	250
Jr. Exec. Desks	200	1	200
Secretarial Desks	250	1	250
Desk Chairs	120	2	240
Secret. Desk Chairs	100	1	100
Office Chairs	50	9	450
Bookshelves	120	2	240
Supply Cupboards	200	1	200
File Cabinets	200	4	800
Miscellaneous	1000	1	1000
Office Equipment			
Typewriters	1000	1	1000
Calculators	75	1	75
Photocopier	6000	1	6000
Subtotal Local			10805
Microcomputer	10000	1	10000
Vehicles			
Sedan	15000	1	15000
Subtotal Off shore			25000
Operations and Maintenance			
Rent	750		
Vehicle O&M - Contract	250		
Monthly Cost			
Honoraria			
Part Select Committee	500		
Per Meeting			

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Training for Development: 8/19/87

Table 9
Training

Entries per year	FY88	FY89	FY90	FY91	FY92	FY93	FY94
Long Term							
BA	0	9	4				
MA	0	33	17	17			
PhD	0	6	3	3			
Subtotal	0	48	24	20	0		
Short-term	11	11	11	10	10	10	
Student months							
BA	0	53	116	156	156	110	40
MA	0	179	431	456	373	169	
PhD	0	33	76	114	111	66	30
Short Term	33	33	33	31	30	30	

Student Costs	Per Year	Per Month	Per Student
Long Term	25200	2100	100800 BA 50400 MA 75600 PhD
Short Term		6000	
Testing			260 (assumes: 4x# entrants tested: 100% take GRE, 50% take GMAT, 25% take TOEFL)
LT Salary Costs - GOK	6000	500	
LT Salary - PrivSect	18000	1500	
ST Salary - GOK	10000	833	
ST Salary - PrivSect	30000	2500	
Airfares/Predeparture			
BA, MA, ST			2500
PhD			5000
Returnees-Professional Membership Fees			300
Avg. LT Monthly Salary Contribution =			1060
Avg. ST Monthly Salary Contribution =			1666
GOK Management Costs Per Entrant =			2240

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3. Social Soundness

a. Socio-cultural Context

From a family perspective, Kenyans place a high value on education and make sacrifices to ensure that, at minimum, the brightest of their children have an education. "The importance of education to rural people in Kenya is illustrated by the observation that in many places the traditional obligation of a father to provide land for each son has been superseded or supplemented by an obligation to provide an income-producing job; education is the means to this end." (Social and Institutional Profile, p.185). Education has consistently consumed a major share of public and private resources in Kenya, due in part to a consistently high public demand.

With only few exceptions, the prerequisite for enrolling at a university in Kenya is graduation from an advanced level secondary school with minimum university entry scores in examinations. However, a significant percentage of qualified students do not gain access to the university due to the limited number of spaces. With the proposed enlargement of the Kenya university system this situation should eventually be improved. Nevertheless, the university placement system is such that many Kenyan students are not able to pursue the course of study of their choice. While students may apply for places at the universities in their selected field, in the final analysis, they are assigned to faculties depending upon their own educational background, the needs perceived by the university and the government for graduates in specific fields (i.e., secondary school teachers to staff the 8-4-4 system), and the number of places available in each field of study.

As a proportion of total enrollment, the number of female students has been increasing both at the secondary and university levels. In the years 1981-84, women composed approximately 30 percent of the undergraduate students in Kenya. They have been assigned primarily to arts-based courses, especially education, at the university. However, in recent years women have broken into professional fields previously not available to them. Slightly more than 20 percent of those enrolled in graduate programs are women (Women of Kenya - Review and Evaluation of Progress, End of Decade, Nairobi, July, 1986, pp 17-20).

To date, training programs sponsored by donors comprise a number of significant administrative and technical training efforts to help fill the need for competent human resources in public, academic, professional, and technical fields. The U.S. government has been involved since independence in providing

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training programs for Kenyans. The two major foci of A.I.D. sponsored training programs have been to meet the specialized training needs of development projects and to train individuals to meet the specific development requirements of Kenyan institutions.

The Kenyan economy has continued to expand and become more diversified and sophisticated. There are growing demands for improved standards of living. As a result, there is an ever present and increasing demand for trained Kenyan leaders who possess the capability to manage complex administrative systems and develop and carry out policies that will promote increased economic growth and social development.

A number of Kenyan training institutions are being strengthened and expanded to meet the need for trained manpower. Kenyan leadership is expected to begin to emerge from these institutions over the next decade. However, in-country leadership training opportunities of the kind and quality needed remain inadequate. In this interim period, this project will attempt to provide top quality leadership training and educational opportunities for Kenya's high potential leaders (that is, those who have demonstrated leadership abilities), and to develop a dynamic leadership cadre in the country for national development.

b. Beneficiaries

There are two groups of beneficiaries within this project. The first group of beneficiaries are the approximately 90 individuals who will receive long term training in the United States. Each person in this primary beneficiary group will receive individualized counseling and specialized training during the summer periods to enhance his or her practical leadership skills and abilities. Also included in this primary beneficiary group are the approximately 60-90 individuals who will receive training in the U.S. in short courses sponsored by a variety of management and development institutions. These courses will expand the trainees' capabilities to manage activities in both the public and private sector organizations in which they have leadership roles. It is expected that those selected for training will be from a wide spectrum of Kenyan society and the project will target one-third to one-half of the scholarships for women.

Individuals will be chosen for long-term training through a rigorous and highly competitive selection process. This will involve a series of steps including a formal application, educational tests, personal interviews, and other selection

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steps in which the individual must demonstrate his/her academic qualifications, leadership qualities and commitment to national development. The selection criteria for participation in the program will be finalized during the early stages of implementation. (See Annex E.1 for illustrative selection criteria). However, several strong recommendations can be made at this point.

This is a highly competitive, high quality program. It can be made available only to those individuals who can demonstrate high level potential for leadership, a strong commitment to Kenya's national development and career plans that align personal goals with the development goals of the country.

(1) All candidates should demonstrate high level potential for leadership for national development. Some personal characteristics that are known to contribute to this potential are: intelligence, creativity, optimism, perseverance, sensitivity to social environments, a high level of energy and industriousness, and an ability to concentrate attention, energy and effort to achieve an objective.

Although these characteristics are difficult to evaluate objectively, it is possible to index them to some extent through personal references and performance records. These will be solicited not only from employers and educational institutions, but also where possible from religious institutions, non-governmental/voluntary organizations and other organizations where the candidate is known.

(2) All candidates should present a record of both academic and informal or formal leadership-related accomplishments. Further they should be young enough to ensure a significant social return to an investment in their personal careers.

Each candidate's record must demonstrate a capability to contribute to national development. Such capability can be shown by the successful planning, organizing and managing of activities on behalf of organizations in either formal, i.e., work-related, or informal or voluntary situations. This does not mean that a given candidate cannot be primarily interested in a district or regional focus, but it does mean that the candidate should evidence that he/she is able to communicate and negotiate effectively with diverse populations or over extended geographic areas.

In addition, each candidate's accomplishments must provide a background which demonstrates that they are adequately prepared to adapt to the experience of studying in the U.S.

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Combining these two sets of requirements, an individual candidate's accomplishments should include:

- (a) excellent communication skills in oral and written English;
- (b) records of completion and commendable achievement in formal education to at least secondary school 'O' levels, preferably having completed the Bachelor's degree. Passing scores on U.S. standardized academic tests will be required of all candidate finalists;
- (c) a demonstrated ability to get along well with people of different backgrounds and to function in new environments; and
- (d) a strong sense of personal and national identity that will form the basis for establishing personal friendships and collaborative relationships on an equal footing with American colleagues and counterparts.

Additional characteristics that ordinarily are associated with experientially derived leadership potential include:

- (a) a demonstrated optimistic tendency: interest in "looking at the bright side" of a situation; ability to search for and utilize resources to satisfy needs and solve problems,
- (b) a demonstrated ability to successfully gauge the potential of others and to show appreciation of their contributions,
- (c) a demonstrated willingness to share and to give credit to others in group accomplishments, and
- (d) a demonstrated ability to make good decisions quickly, to persuade others to concur and to inspire them to act in accordance with these decisions.

Leadership qualities and commitment to national development will be evaluated after the initial educational testing is completed. This evaluation will center on the individual's past experiences and record of accomplishments which clearly demonstrate not only potential but actual leadership successes in planning, organizing, managing and implementing activities with different groups in work-related and/or voluntary leadership situations. This past record of accomplishment demonstrating leadership abilities will serve as the main basis for selection among academically qualified

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individuals. The principal means for making this assessment will be interviews with candidates, their employers and associates who possess first-hand knowledge of the candidate's leadership activities. In addition letters of reference will be sought from others with knowledge of the candidate's leadership activities.

Through these screening methods, the project will be able to separate the "glib talkers" from those who have demonstrated leadership capabilities and have successfully applied them to activities for the public good.

(3) Finally, each candidate should present a convincing argument for investing in his/her personal career development as a way of furthering Kenya's national development. Such evidence constitutes, in effect, a display of focused personal commitment to the attainment of national development goals.

As noted earlier, research has shown that the most important predictor of leadership "success" is the leader's personal commitment to the success of the larger goals (Leonard 1984, 1986). Therefore, locating a strong link between personal career goals and national development goals should maximize the chances for a synergistic relationship between the two, whereby effort applied to one goal will enhance the attainment of the other as well.

One way of assessing the candidates' commitment would be to ask finalists to present qualifying essays. These essays might be written in response to instructions such as the following:

"Describe or elaborate on an important goal for Kenya's national development, and how you think it might be attained. You should feel so strongly about this goal that you would be willing to commit the development of your personal career to it. Tell how you think that you personally, given the opportunity for further training and the exercise of leadership capability, could contribute to this goal."

Approximately 60-90 individuals will participate in a number of short courses sponsored by various U.S. management and development institutions. Insofar as possible candidates for this training also will be selected on a competitive basis. The selection process, may include applications, interviews and letters of recommendation by which will be judged: (1) the record of the candidates' leadership accomplishments and (2) the match between the courses to which they have applied and their professional growth/national development objectives.

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Those selected for participation in these two types of training opportunities will benefit by having obtained university degrees at some of the finest universities in the U.S.; by having the opportunity to be involved in leadership activities and short courses which will aid those in leadership positions to be more effective leaders and managers; and by having the opportunity, upon their return, to improve their own employment positions and status. The participants who return and gain positions of actual public sector leadership in Kenya will be better able to understand the implications of alternative policies and development activities and evaluate them with greater insight. Leaders in the private sector will be better able to take advantage of business opportunities and increase their chances of being successful in contributing to organizational and national development.

c. Participation

Those who prepared the technical analysis of this project spent a considerable amount of time interviewing employees of local public and private sector administrative institutions. The discussions focussed on a variety of training and manpower development activities. Public sector entities included the Directorate of Personnel Management and Industrial Training; Ministries of Planning and National Development, Finance, Labor, Local Government, Cooperative Development, Commerce and Industry; and the Kenya Institute of Administration. Institutions visited in the private sector included the Kenya Association of Manufacturers, Kenya Institute of Management, National Chamber of Commerce and Industry, Federation of Kenyan Employers, and the central Organization of Trade Unions. A number of significant actors within the cooperative movement also were interviewed. Leadership training needs and activities were discussed with each other these institutions. The potential participation by private sector institutions in the project, either through providing access to the business community or serving as members of the selection committee, was explored.

The GOK itself realizes that the economy still lacks the skilled manpower upon which development depends. The Government supports overseas training to enhance and fill the gaps apparent in in-country training facilities and programs. According to Heegaard and Mutiso, the Government has directed the Central Bank to give all overseas students foreign exchange needs priority, even when the country has been short of foreign exchange. The GOK is willing to give priority to the training needs of its staff and encourages the acceleration of employment creation within the private sector.

Final participant selection will involve full Kenyan participation in the private sector. A Participant Selection Committee will be organized composed of representatives from higher education, the private sector, the GOK, as well as contract and A.I.D. staff. One-third to one-half of the committee members will be women. Following the general educational review and testing sequences, the selection committee will review the applications and letters of recommendation for the most promising candidates and will conduct personal interviews. A number of individuals have already been identified and have expressed an interest in participating in this process. A.I.D. and the contractor staff will attempt to ensure objectivity in the selection process. The selection committee will be urged to select candidates from the widest possible range of applicants who can put the training opportunities to the best use for Kenya. In the public sector selection will be largely the responsibility of the Directorate of Personnel Management with participation by A.I.D. and some limited support from the contractor. It will be DPM's responsibility to undertake selection commensurate with the goals and objectives of the project. A.I.D.'s chief responsibility will be to monitor the public sector selection process to see that it is carried out in such a responsible manner.

From the perspective of project implementation, this project has been designed to function within an open, demand driven framework in which the participants are, insofar as possible, self-nominated and self-motivated. The individual participants who will benefit from the long and short-term training programs will personally submit an application for training. The selection process itself allows for maximum participation by the candidates. They must take the initiative to apply, must pass the requisite academic tests, and then must prove themselves to be of leadership material through a specially designed selection process which may include a review of recommendations, personal interviews, analysis of group interaction, written essays, etc.

Sponsorship will be sought for all candidates. This may take the form of a leave of absence from place of employment, continued receipt of salary and benefits by the employee, support by local communities of the candidate or his/her family. This kind of support has been forthcoming for government sponsored candidates in other training programs and there is a historical base for community sponsored overseas training in Kenya. These elements of the population therefore also will participate in the selection process through their support of candidates.

d. Social-cultural Feasibility

The scholarship program represented by this project is of very high quality. A group of participants, selected on a highly competitive basis will receive not only university training at top institutions in the United States but also the opportunity to participate in specialized enrichment activities as part of their program. There is no doubt that it will be viewed as a very desirable program in which to participate. It is anticipated that there will be a large number of applications from a rich pool of very willing and interested candidates.

In order to help ensure that students receive the type of training necessary for leadership there are a number of enrichment activities which have been suggested for inclusion in each individual's program during summer periods. (See Annex E.1.) These activities are considered essential since academic studies alone will not fully develop a person's leadership capability. Planned activities include not only management/leadership workshops which are provided by U.S. management firms and universities but also selected internships and on-the-job training activities. Participants in this scholarship program also will be strongly encouraged to participate in on-campus university clubs and off-campus community groups or voluntary associations. All of these enrichment activities will provide opportunities for participants to learn how to work with people in group settings and to combine leadership and management skills. Such activities will require the participants to "deliver a product", be it planning for meetings, directing and completing tasks, or providing an important service on which others depend.

From the viewpoint of those seeking to participate in the scholarship program, there are a number of inherent incentives. These include opportunities for a higher level of salary upon return to place of employment; enhanced prestige as a result of being chosen as part of a select group who will receive full scholarships to study in the U.S.; upon return, to be one of a group of individuals who received specialized training; improved technical and management skills relevant to one's chosen profession; enhanced opportunities for advancement and promotion; and increased levels of responsibility, power, prestige, etc. The major assumption here, of course, is that there will be adequate opportunities for leadership and advancement for returning trainees in a rapidly developing Kenya.

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As a result of the strong incentives in the project, there is also inherent the potential for family, ethnic or social considerations to impinge upon the selection process. The issue here is one of equity. Can an individual from a deprived or disadvantaged segment of the population successfully compete for a place with someone who has been to the best schools, had opportunities for leadership experience in such schools or on the job, and who may have the financial means to provide his or her own sponsorship or to forego a certain level of earnings in order to participate in the program?

The economic factor, namely the ability to pay for schooling, is a strong link in the relationship between social stratification and education in Kenya. The Kenya Social and Institutional Profile states: "There are now signs that family background increasingly effects both recruitment and performance." How then will this project ensure that all segments of the population have equal access to its benefits? First, the selection process developed is structured in such a way as to minimize the potential impact of social and ethnic influences on the selection procedure. Also, a set of objective criteria are being developed to guide selection. However, the potential for subjectivity may arise given the composition of the committee itself and the requirement of the project that the applicants have sponsorship and recommendations/references from various sources. Project managers must be alert to guard against such subjective factors playing a dominant role in the process.

At the outset, the selection process will be demand driven. That is, an individual will take the initiative to apply for consideration. Eventually recommendations will be elicited from those who have knowledge of the individual's leadership abilities to substantiate that experience. For the private sector, the employment of an independent technical services contractor to assist in applying these criteria will enhance the objective nature of the selection process. On the public sector side, great reliance is being placed on the Directorate of Personnel Management's experience with the Kenyan social milieu to handle its responsibilities in an objective fashion.

The contractor, as well, will have a role to play in assisting and providing guidance to highly qualified candidates from disadvantaged backgrounds to enable them to compete effectively in the selection process in the personal interview portion of the selection process. Only those candidates who

have the requisite academic skills demonstrated by their ability to successfully pass the standardized academic tests will be considered for this leadership program. There is reason to believe that there will be a number of qualified candidates from low-income segments of the population who will qualify. The Kenyan higher education system is based on merit and placement through a competitive examination process. Given the high value families place on education, social background alone has not limited a number of successful students from disadvantaged backgrounds from gaining placement and succeeding at university studies.

This project will make special efforts to reach candidates from all geographic areas and backgrounds so that all viable candidates will have the information required to apply and compete for the scholarships.

All training categories will be open to women and they will be explicitly encouraged to apply for the training grants. It is expected that women will participate equitably at all levels of project implementation. The Participant Selection Committee, which will have strong representation by women, will be requested to encourage women to apply and to see that they are fairly represented among those selected for participation in the program.

e. Impact

As mentioned above, this leadership development program is expected to have an impact not only upon the participants themselves, but will also be felt throughout the public and private sectors of Kenya in terms of better managed government and private programs. The development of a cadre of leaders who are technically qualified in their chosen fields and have also been trained to be learners and problem solvers is vital for national development. There will be an improved sense of self-worth and competence as these trained individuals move into more responsible management positions.

One recent study pointed out the fact that an important variable in a positive attitude toward a U.S. training experience was the personal link which participants had had with American life and American families. The professional and interpersonal links that are brought back by the participants, as a result of their specialized leadership and enrichment experiences, will be an important aspect of their overall leadership training program. These associations will have a potentially positive impact upon their attitudes toward the U.S.

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4. Economic

The project represents a high quality, relatively high cost, high benefit, approach to leadership development whose economic feasibility is based upon careful implementation of rigorous selection criteria designed to maximize externalities accruing to Kenyan society, as well as to achieve positive individual returns to investment in education. The project relies upon careful design of individual training programs and aggressive follow-up to strengthen its overall cost/benefit performance. Emphasis will be placed upon selection of currently employed individuals who will return to guaranteed jobs with specific skills required to enhance performance. Close coordination with employers in participant selection, and immediate application of skills upon completion of training act significantly to maximize project benefits. To the extent that excess capacity in some U.S. educational institutions results in marginal costs which are lower than average costs, actual economic costs of the proposed overseas training may be below the financial costs estimated in section V.B. above (which would also contribute to improving the project's overall cost/benefit ratio). To the extent that a high value is placed upon exposure of a number of potential Kenyan leaders to U.S. values and systems as suggested by Administrator McPhersen in his "Scholarship Diplomacy" speech of March 1985, the proposed project generates externalities which, though difficult to quantify, also act to increase net project benefits.

The project seeks a maximum return by maximizing flexibility in individual trainee selection rather than by pre-judging the value of training in particular sectors or institutions. Such an approach is in all probability justified by the poor quality and uncertain assumptions underlying personnel demand projections within the GOK, and by the virtual absence of such projections for the private sector, the PVO community, cooperatives, and local government. By directly addressing the need for trained leadership in institutions outside the central government, the project addresses a need largely unmet by other donor agencies with likely overall positive implications for project returns.

Since the sectors, institutions, and types of training to be financed by the project cannot be completely specified in advance, detailed cost/benefit calculations cannot be carried out, although the standard "tracer" methodology developed and applied in existing studies of overseas training in Eastern Africa* can and should be applied in completing the Project evaluation.

The Eastern African Universities Research Project on the Impact of Overseas Training and Development has carefully analyzed the responses to a detailed questionnaire administered in 1980 to more than 3900 African B.A., M.A. and Ph.D. graduates in 5 broad fields (medical/health; engineering; technical; agriculture/ veterinary/ forestry/fishing; business/ commerce/ administration). The graduates were from five Eastern African countries (Kenya, Somalia, Swaziland, Tanzania and Zambia), and included more than 1000 students trained overseas. The survey in particular included nearly 800 Kenyan graduates of whom nearly 250 had received training abroad.

Under the East African Universities Research Project

"The analysis of rates of return was meant to be suggestive of methodology rather than definitive for the results obtained. Several assumptions and simplifications were used to facilitate the calculations. Costs consisted of three main factors: opportunity cost (the salary or productivity forgone during training), tuition costs and living costs. Other potential costs such as transportation, books and materials were not included. Opportunity cost was calculated by multiplying monthly income forgone,
(continued)

* See Maliyamkono, T.L., Ishumi, A.G.M., and Wells, S.J. Higher Education and Development in Eastern Africa. London: Heineman Educational Books, for the East African Universities Research Project, 1982.

* Maliyamkono, T.L., Ishumi, A.G.M., Wells, S.J., and Migot Adholla, S.E. Training and Productivity in Eastern Africa. London: Heineman Educational Books, for the East African Universities Research Project, 1982,)

* For a current analytical summary of investment choices in education see also Psacharopoulos, George and Woodhall, Maureen. Education for Development. New York: Oxford University Press, published for the World Bank, 1985.

* For a good summary of the historical development of economic thought on investment choices in education see Blaug, M. Economics of Education 1. Hamondsworth, Middlesex, England: Penguin Books, 1968.

probability of unemployment and duration of training programs. Since living costs would be incurred whether or not the individual was attending a training program, we included the additional costs only for overseas programs. The benefits of training were assumed to be the salary gained as a result of training. We had five different measures of salary gain and used the most conservative ones. These salary gains had to be adjusted for potential salary gains that would have been given for more experience if the individual had continued working rather than attending a training program. Rather than calculate a single rate of return, we calculated several, based upon different assumptions." (Training and Development in Eastern Africa, p. 28).

Despite its disclaimers, the Eastern African Universities Research Project remains the most comprehensive investigation of its type on the returns to investment in higher education (local and overseas) for Eastern Africa. The illustrative social rates of return for all levels of long-term training cited in Table 1 below are not unreasonable, although the rates of return are not particularly high once adjustments for opportunity costs, tuition costs, and living costs are taken into account (from 3.8 to 19.9 percent return for local training; and from 2.5 to 12.5 percent return for overseas training). The large variations in calculated returns to investment in education show significant sensitivity to the assumptions made regarding salary increases which would have occurred due to increased on the job experience without formal training.

Adopting the median assumption that salary increases due to increased time on the job would be limited to 5 percent annually, a breakdown of social rates of return to long-term training by certification level suggests more encouraging overall results.

"For overseas training, certificates tend to have the highest rate of return and doctorates the lowest. For local training doctorates tend to have the highest rate of return (this fact corresponds to their generally higher activity levels) and certificates and master's degrees the lowest. For the social rate of return including all the costs we obtained the following: bachelor's (12.99 per cent overseas, 19.93 per cent local), master's (8.61 per cent, 11.52 per cent), doctorates (7.74 per cent, 23.68 per cent) and certificates (10.65 per cent, 12.50 per cent.)" (Training and Development in Eastern Africa, p. 76.)

TABLE 1
Social Rates of Return

Training Investment	0	L	No adjustment for experience (%)		Monthly Salary Gain (%)			
			0-\$203	L-\$174	5 per cent adjustment		9 per cent adjustment	
					0-\$143	L-\$114	0-\$83	L-\$54
Opportunity cost	\$8,810	\$6,893	27.6	30.3	19.2	19.6	10.3	8.0
Opportunity cost + tuition	\$12,392	\$10,391	19.4	19.91	13.2	12.5	6.3	3.8
Opportunity cost + tuition + living	\$18,412	\$10,391	12.5	19.91	7.9	12.5	2.5	3.8

Note: 0 = Overseas trained; L= Locally trained

Source: Training and Development in Eastern Africa, p. 36

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Similarly a more detailed analysis by occupational category confirms the consistency of the results obtained (within the limitations of the methodology utilized) with social rates of return calculated for most occupational categories ranging between 10 percent and 22 percent. (See Training and Development in Africa, p. 149 and Appendix 2. Table 5.10, p.309).

Most of the above rates of return are within the range which could be supported utilizing A.I.D.'s notional discount rate of 15 percent, particularly given the significant differences between marginal and average costs which may exist in some U.S educational institutions, and given the externalities to educational investment already alluded to above. Moreover, the application of rigorous selection criteria, the careful design of individualized study programs, and aggressive follow up for each graduate, should result in higher returns than might be expected from the more general training programs reviewed in the Eastern African Universities Research Project (although costs will of course be substantially higher as well).

Beyond an heuristic calculation of social rates of return, the Eastern African Universities Research project provides more direct evidence regarding the effect of training on work performance, as well as on important political, social, and economic attitudes related to development. Many of the work performance and attitudinal variables measured are of particular relevance to a training project directed at developing leadership in key public, private, cooperative, and PVO institutions. As judged by the graduates themselves, long-term training provided moderately high preparedness for a wide range of work related tasks, with slightly better results being achieved by overseas training in ten of eleven work-related skills. For Kenyans in particular, overseas training was perceived by the graduates as having provided somewhat better work preparedness in six key areas: modifying projects; developing projects; choosing projects; managing people; and training others. (See Table 2 below. All of the work responsibility questions were rated on the same scale: 1="not at all prepared;" 9= "highly prepared.")

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TABLE 2

Preparedness for Work Responsibility - Long-Term Training

Variable -	Kenya		5 E.A. States	
	0	L	0	L
Working in projects	7.0	6.7	6.9	6.5*
Managing project	6.8	6.4	6.7	6.3*
Evaluating projects	6.6	6.3	6.5	6.0*
Modifying projects	6.6	6.0*	6.5	5.9*
Developing projects	6.6	6.0*	6.3	5.8*
Choosing projects	6.6	6.0*	6.3	5.8*
Implementing projects	6.8	6.1*	6.5	6.4*
Managing people	6.8	6.2*	6.6	6.4
Training others	6.8	6.2*	6.9	6.6*
Budgeting	5.5	5.4	5.7	5.2*
Organizing	6.8	6.4	6.8	6.5*

Note: 0= Overseas trained; L= Locally trained

*Significant at 99 percent level

Source: Adapted from Higher Education and Development in Eastern Africa, p. 167

Given the importance ascribed to utilization of training opportunities to encourage political, social, and economic attitudes favorable to development, Table 3 below reports on a number of attitudinal variables as assessed by the long-term graduates themselves. In general the data suggest a lack of significant differences between overseas and locally trained individuals on most issues, a pattern which holds true at every level of certification studied (B.A., M.A., PH. D., and Certificate), as well as among all countries considered individually. Such relative uniformity may in fact reflect the extent to which attitudes favorable to modernization, democratization, and liberal economic policies are encouraged in Eastern African institutions of higher learning, rather than any failure of overseas training to have any effect in these key attitudinal areas. (See Table 3. All of the attitudinal questions were rated on a scale:

1= "very bad impacts on development for country;"

9= "very good impacts on development for country.")

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UNCLASSIFIED

Project 615-0234

VZCZCNAI *
RR RUEHC
DE RUEFNR #6338 050 **
ZNR UUUUU ZZH
R 190802Z FEB 86
FM AMEMBASSY NAIROBI
TO SECSTATE WASHDC 1271
BT
UNCLAS NAIROBI 06338

CLASS : UNCLASSIFIED
CHRG : AID 02/03/86
APPRV : DIR:CGLADSON
DRFTD : PRJ:EMACDONALD:LH
CLEAR : PRJ:RRIFENBURG
DISTR : DIR PRJ-2 RF
ECON (HRD) RLA

AIDAC

E.O. 12356: N/A
SUBJECT: TRAINING FOR DEVELOPMENT (615-0234) INITIAL
ENVIRONMENTAL EXAMINATION

1. USAID REQUESTS CONCURRENCE OF BUREAU ENVIRONMENTAL
OFFICER FOR IEE TO BE INCLUDED IN PID FOR SUBJECT
PROJECT. TEXT FOLLOWS.

2. INITIAL ENVIRONMENTAL EXAMINATION OR CATEGORICAL
EXCLUSION

PROJECT COUNTRY: - - KENYA

PROJECT TITLE AND NUMBER: TRAINING FOR DEVELOPMENT
615-234

FUNDING: - - - - EHR, GRANT: \$10.0 MILLION

IEE/CE PREPARED BY: - BARRY MACDONALD, USAID/KENYA

ENVIRONMENTAL ACTION RECOMMENDED:

POSITIVE DETERMINATION:

NEGATIVE DETERMINATION:

- - OR

CATEGORICAL EXCLUSION: X

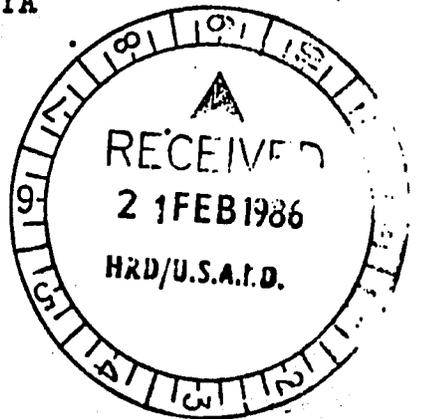
IT IS RECOMMENDED THAT THIS TRAINING PROJECT BE
CATEGORICALLY EXCLUDED FROM ENVIRONMENTAL EXAMINATION ON
THE BASIS OF AID REGULATION 16, PARAGRAPH 216.2 (C) (2)
1).

ACTION REQUESTED BY: CHARLES L. GLADSON, MISSION
DIRECTOR

DATE: JANUARY 31, 1986

CONCURRENCE: BUREAU ENVIRONMENTAL OFFICER, ARF/TD/SDP

3. EXAMINATION OF THE NATURE, SCOPE AND MAGNITUDE OF
ENVIRONMENTAL IMPACTS



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A. DESCRIPTION OF THE PROJECT:

THE PROJECT IS A HUMAN RESOURCES DEVELOPMENT ACTIVITY DESIGNED TO FOSTER THE EXPANSION OF WELL-TRAINED KENYAN LEADERSHIP THROUGH EDUCATION IN THE UNITED STATES. A SCHOLARSHIP PROGRAM WILL BE FINANCED WHICH WILL SUPPORT LONG-TERM AS WELL AS SHORT-TERM TRAINING. TECHNICAL ASSISTANCE WILL BE REQUIRED TO SUPPORT THE ADMINISTRATION OF THE PROGRAM. NO CONSTRUCTION OR OTHER ACTIVITIES WHICH MIGHT HAVE A SIGNIFICANT IMPACT ON THE PHYSICAL ENVIRONMENT ARE ENVISIONED AS PART OF THIS PROJECT.

THE GOAL OF THE PROJECT IS TO IMPROVE THE QUALITY OF KENYAN LEADERSHIP WHICH INFLUENCES NATIONAL DEVELOPMENT. THE PURPOSE OF THE PROJECT IS TO INCREASE THE AVAILABILITY OF KENYAN PROFESSIONALS TRAINED IN THE U.S. WHO WILL HOLD POSITIONS OF INCREASING RESPONSIBILITY IN THE COUNTRY.

B. IDENTIFICATION AND EVALUATION OF ENVIRONMENTAL IMPACTS:

THIS PROJECT IS STRICTLY A HUMAN RESOURCE DEVELOPMENT EFFORT. AS SUCH, IT IS EXPECTED TO HAVE NO SIGNIFICANT IMPACT ON THE PHYSICAL ENVIRONMENT. SOCIALLY, IT WILL PROFOUNDLY AFFECT THE LIVES OF THOSE WHO PARTICIPATE IN THE TRAINING PROGRAM BOTH IN THE SHORT-RUN, AS THE INDIVIDUALS RELOCATE IN THE UNITED STATES DURING THE TRAINING PERIOD, AND IN THE LONG-RUN, GIVEN THEIR ENHANCED EDUCATIONAL BACKGROUND AND THE LIKELY OPPORTUNITY FOR ADVANCEMENT WITHIN THEIR CHOSEN FIELD. BROADER SOCIAL IMPACTS ARE ANTICIPATED AS THESE TRAINED INDIVIDUALS REACH DECISION MAKING POSITIONS IN KENYA.

C. RECOMMENDATION FOR ENVIRONMENTAL ACTION:

IT IS RECOMMENDED, ON THE BASIS OF AID REGULATION 16, PARAGRAPH 216.2 C) 2) 1), THAT THE PROJECT BE CATEGORICALLY EXCLUDED FROM ENVIRONMENTAL ACTION, GIVEN ITS NATURE AS A TRAINING ACTIVITY. THOMAS

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STATE 065096

Project 615-0234

ACTION: AID-4 INFO: ECON - 5

04-MAR-86 TOR: 10:41
CN: 14012
CHRG: AID
DIST: AID

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DE RUEHC #5096 0630053
ZNR UUUUU ZZH
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AIDAC

E.O. 12356: N/A

TAGS:
SUBJECT: TRAINING FOR DEVELOPMENT (615-0234) INITIAL
ENVIRONMENTAL EXAMINATION

REF: NAIROBI 06332

BUREAU ENVIRONMENTAL OFFICER AND GC/AFR HAVE CONCURRED
IN CATEGCRICAL EXCLUSION RECOMMENDED IN IEE SUBMITTED.
REFTEL. FIVE COPIES OF SIGNED IEE BEING POUCHED.

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STATE 065096

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Annex F

SOURCE/ORIGIN WAIVER JUSTIFICATION

Problem

A procurement source/origin waiver from Geographic Code 000 (U.S. Only) and Kenya to Geographic Code 899 (Free World) is needed for the following:

- A. Cooperating Country : Kenya
- B. Project Number : 615-0234
- C. Project Name : Training for Development
- D. Nature of Funding : Grant
- E. Description of Goods : A Photocopy Machine
with Consumables
- F. Value : Approximately \$6,000
- G. Source : United Kingdom or
other code 899 countries
- H. Origin : United Kingdom or
other Code 899 countries.

Discussion

The contractor which will be hired under the project mentioned above will need to purchase a photocopy machine with consumables. The machine will be funded by A.I.D. Financing of such equipment, which will be used primarily for reproduction of participant's records, and to produce material required for participant placement is within the scope of the subject project. Upon completion of the project, the photocopier will become the property of the Government of Kenya (Directorate of Personnel Management). U.S. and Code 941 photocopy machine manufacturers have no active local dealers, and therefore, these machines from eligible sources cannot be serviced or repaired locally. Further, 220/240 volt photocopy machines manufactured in Western Europe and Japan are commonly used in Kenya and spare parts and service are readily available from dealers in Nairobi for these machines. Repair and spare part availability for photocopy machines are essential because photocopy machines are subject to frequent breakdowns and servicing requirements that require prompt attention to avoid substantial downtime which would adversely affect the project.

Primary Justification

The subject photocopy machine is essential for the reproduction of participant's records, and for the production of materials for participant placement and therefore to the efficient operation of the project. Such machines are not available from the authorized source, and non-A.I.D., foreign exchange is not available for the purpose.

Authority

Africa Delegation of Authority No. 551, delegates to the Mission Director who will be approving this project, the authority to waive and grant exceptions in accordance with Supplement B of Handbook 1, of source and origin requirements to permit procurement of goods and services from outside the authorized geographic code. Further, Delegation of Authority 551 requires that waivers or exceptions for goods must be based upon one or more of the criteria set forth in Section 5B.4a of Handbook 1, Supplement B. One criteria under Section 5B.4a is the unavailability of a commodity from an authorized source country or area. Photocopy machines like the one described above and which can be adequately maintained by representatives located in Kenya are not available from sources within the authorized geographic code.

Recommendation

For the above reasons, it is recommended that the Mission Director approve this request for a source/origin waiver in the amount of \$6,000 to permit the procurement of a photocopier with consumables from countries included in A.I.D. Geographic Code 899, and certify that the "exclusion of procurement from Free World countries other than the cooperating country and countries included in Code 941 would seriously impede attainment of U.S. foreign policy objectives and objectives of the foreign assistance program", when he approves the project authorization.

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Annex G

Preliminary Scope of Work
for Principal Contract for Services

The following brief scope of work defines the principal activities of the contractor and indicates whether they will be conducted on behalf of the private or public sector or both.

<u>Activity</u>	<u>Sector</u>
* Develop administrative procedures for U.S. based office	public/private
* Develop administrative procedures for Nairobi office (primarily)	private
* Procure necessary office equipment and furnishings	private
* Design, draft and clear announcements and correspondence for each phase of candidate recruitment	private
* Establish and maintain participant files and data. This will involve a complete history of the selection process and documentation needed for placement for private sector candidates; only placement documentation will be required for public sector candidates.	private/public
* Develop and maintain a computer tracking system to monitor selection, placement and academic progress of participants, and to follow up on returnees.	private public (once trainees are selected)
* Design, distribute and collect candidates' applications. Women and other individuals from disadvantaged backgrounds to apply.	private

- * Coordinate identification of candidates; explain program to private sector groups and companies; identify ways program can help meet their staff leadership needs. Facilitate candidate selection. private
- * Arrange all test registrations; coordinate test administration. private/public
- * Develop and conduct test preparation workshops private/public
- * Provide administrative services for interviewing and final selection process (collect and distribute data, schedule meetings, summarize results, etc). private
- * Advertize and screen candidates for short-term training opportunities. private
- * Prepare and revise participant PIO/P's as directed by USAID. private/public
- * Provide counselling to candidates and participants private/public
- * Provide pre-departure orientation and training (re U.S. university expectations, test-taking, computers, keyboarding, etc.) private/public
- * Facilitate and keep records on participant documentation (passports, visas, medical, etc.) private/public
- * Coordinate issuance of award agreement letters (letter contracts) to participants private
- * Assist/monitor participants' ticketing and travel arrangements private
- * Place all long-term and short-term candidates private/public

- * Manage financing of all long-term and short-term participant programs private/public
- * Work with U.S. universities and training organizations to determine and shape individualized training programs for each participant including complementary training tailored to each participant's training objective and projected future leadership responsibilities private/public
- * Monitor, trouble-shoot and provide counsel, information and assistance (as needed) to participants in the U.S. and their training institutions private/public
- * Prepare and submit quarterly, comprehensive reports on the progress of all participants to USAID and sponsors private/public
- * Provide payment for up to three years, for membership in professional societies and/or subscriptions for professional journals for each long-term participant. private/public

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