

Agency for International Development
Washington, D.C. 20523

180-0029

ROFCY 4:6.8

JUL - 1 1991

Robert S. Leventhal
Dean
Schools of Business Administration
University of Washington
114 Mackenzie Hall
Seattle, Washington 98195

Subject: Grant No. EUR-0029-G-00-1052-00

Dear Dr. Leventhal:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D.") hereby provides to the University of Washington (hereinafter referred to as "UW" or "Grantee") the sum of one million one hundred seventy six thousand, one hundred thirty-seven U.S. dollars (\$1,176,137) in support of the Management Training and Economics Education in Central and Eastern Europe Project (Project Number 180-0029) in Central and Eastern Europe, as more fully described in Attachment 1 of this Grant entitled, "Schedule"; Attachment 2, entitled "Program Description;" and Attachment 4, entitled "Management Training and Economics Education for Romania."

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives for the period set forth in Section B of the Schedule of this Grant. Funds disbursed by A.I.D. but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

The total estimated amount of the program is \$1,214,597, of which A.I.D. shall fund a total of \$1,176,137 (hereinafter referred to as "Total Obligated Amount") and the Grantee is expected to fund \$38,460. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.

This Grant is made to the Grantee on the condition that the funds will be administered in accordance with the terms and conditions as set forth in this Cover Letter, Attachment 1, entitled "Schedule", Attachment 2, entitled "Program Description", Attachment 3, entitled "Standard Provisions", and Attachment 4, entitled "Management Training and Economics Education for Romania," which together constitute the entire Grant document and have been agreed to by your organization.

Please sign the original and each copy of this cover letter to acknowledge your receipt of this Grant, and return the original and all but one copy for your files the undersigned.

Sincerely,



Judith D. Johnson
Grant Officer
Overseas Division
Office of Procurement

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions
4. UW Grant Application: "Management Training and Economics Education in Romania"

RECEIPT ACKNOWLEDGED:

UNIVERSITY OF WASHINGTON

BY: _____



TYPED NAME: DONALD W. ALLEN, DIRECTOR
GRANT AND CONTRACT SERVICES

TITLE: _____

DATE: JUL 24 1991

FISCAL DATA

A. GENERAL

- A.1. Total Estimated Program Amount: \$1,214,597**
- A.2. Total Obligated Amount: \$1,176,137**
- A.3. Estimated Cost-Sharing Amount (Non-Federal): \$38,460**
- A.4. Project No.: 180-0029**
- A.5. A.I.D. Project Office: ENE/EUR, Stephen French**
- A.6. Funding Source: A.I.D./W**
- A.7. Paying Office: FM/CMP**
- A.8. Tax I.D. No.: 91-6001537**
- A.9. DUNS No.: 04-280-3536**

B. SPECIFIC

- B.1.(a) PIO/T No.: 180-0029-3-1183660**
- B.1.(b) Appropriation: 72-11X1010**
- B.1.(c) Allotment: 184-63-180-01-69-11**
- B.1.(d) BPC: QAIX-91-33180-IG-12**
- B.1.(e) Amount: \$1,176,137**

ATTACHMENT 1

SCHEDULE

A. PURPOSE OF GRANT

The purpose of this Grant is to provide financial support for the program described in Attachment 2 of this Grant entitled "Program Description" and in Attachment 4, UW's Application entitled "Management Training and Economics Education." This program is in response to the Request for Applications (hereinafter referred to as "RFA") for the Management Training and Economics Education Project.

B. PERIOD OF GRANT

B.1. The effective date of this Grant is the date of the Cover Letter and the estimated completion date is June 30, 1992.

B.2. Funds obligated hereunder shall be used to reimburse the Grantee for allowable program expenditures incurred by the Grantee in pursuit of program objectives for the estimated period from June 7, 1991 to approximately June 30, 1992.

C. AMOUNT OF GRANT AND PAYMENT

C.1. The total estimated amount of the program described in Attachment 2 of this Grant is \$1,214,597.

C.2. The total amount of the A.I.D. contribution to the total estimated program costs shown in C.1. above, to be provided through this Grant (hereinafter referred to as "Total Grant Amount") for the period shown in B.1. above is \$1,176,137.

C.3. A.I.D. hereby obligates the entire amount of \$1,176,137 (hereinafter referred to as "Obligated Amount") for program expenditures during the estimated period set forth in Section B.2. above. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.

C.4. Payment shall be made to the Grantee in accordance with procedures set forth in the Standard Provision of this Grant entitled "Payment - Cost Reimbursement," as set forth in Attachment 3.

D. GRANT FINANCIAL PLAN

D.1. The following is the Financial Plan (budget) for the program amount of this Grant for its full period. The Grantee may not exceed the total estimated amount or the obligated amount of this Grant, whichever is less (see Sections C.1. and C.2., respectively, above). Any revisions to the grant financial plan must be made in accordance with the Standard Provision entitled "Revision of Grant Budget," as shown in Attachment 3.

D.2. Financial Plan

<u>Cost Element</u>	<u>A.I.D.</u>	<u>Grantee/ Others (Non-Fed)</u>	<u>Total</u>
(a) DIRECT COSTS			
Salaries	\$125,500	\$ 8,768	\$134,268
Fringe Benefits*	27,798	1,909	29,707
Consultants	20,600	0	20,600
Travel/Per Diem	110,578	0	110,578
Expendable Supplies & Materials	14,050	0	14,050
Nonexpendable Equipment	6,600	0	6,600
Subgrant - WSU+	597,353	14,023	611,376
Subgrants - Romanian++	5,500	6,500	12,000
Other Direct Costs	<u>5,000</u>	<u>0</u>	<u>5,000</u>
SUBTOTAL	\$912,979	\$31,200	\$944,179
(b) INDIRECT COSTS	\$263,158	\$ 7,260	\$270,418
TOTAL	\$1,176,137	\$38,460	\$1,214,597

* Fringe benefits applicable to direct salaries and wages are treated as direct costs. Allowable fringe benefits for this Grant shall be the following: insurance, medical aid, industrial insurance and workman's compensation, TIAA/CREF, state retirement, S.S., and unemployment compensation.

+ WSU = Washington State University

++ Romanian subgrantees = Academy of Economic Studies (ASE)
Polytechnic Institute of Bucharest (PIB)
Romanian Interpreters/Translators

D.3. Inclusion of any cost in the budget of this Grant does not obviate the requirement for prior approval by the Grant Officer of cost items designated as requiring prior approval by the applicable cost principles (see the Standard Provision of this Grant set forth in Attachment 3 entitled "Allowable Costs") and other terms and conditions of this Grant, unless specifically stated in Section I. below.

E. REPORTING REQUIREMENTS

E.1. Financial Reporting

E.1.(a) Financial reporting requirements shall be in accordance with the Standard Provision of this Grant entitled "Payment - Cost Reimbursement" as set forth in Attachment 3.

E.1.(b) All financial reports shall be submitted to A.I.D., Office of Financial Management, FM/A/PNP, Room 700 SA-2, Washington, D.C. 20523-0209. In addition, three (3) copies of all financial reports shall be submitted to the A.I.D. Project Office specified in the Cover Letter of this Grant.

E.1.(c) With the exception of the final financial report, all financial reports shall be submitted within thirty (30) days following the end of the reporting period. The final financial report shall be submitted within ninety (90) days following the estimated completion date of this Grant.

E.1.(d) The Grantee's financial reports shall include expenditures of A.I.D. Grant funds provided hereunder. The Grantee is encouraged to inform A.I.D. on the status of non-federal matching funds in the financial report.

E.2. Program Performance Planning and Reporting

E.2.(a) Project Implementation Plan

Not later than ninety (90) days from the effective date of this Grant (see Section 1B. above), the Grantee shall prepare and submit to the A.I.D. Project Officer specified in the Cover Letter of this Grant three (3) copies and to the Grant Officer one (1) copy of a Project Implementation Plan (PIP), for the full term of this Grant. The PIP may be either jointly developed by the U.S. grantee and the counterpart institution(s), or developed by the U.S. grantee and reviewed and concurrence by the local organization(s). The PIP must be signed by a representative of the counterpart institution(s).

The substantive areas to be included in the implementation plan include the following:

- 1). Local content or local relevance of training materials;**
- 2). Management of the trainee selection system;**
- 3). Local institution's commitment of facilities and staff;**
- 4). Coordination with other USG funded and/or other donor programs (as applicable);**

5). Comments and recommendations made by local (A.I.D. Representative Official, if available) U.S. Embassy during early field visits; and

6). The development of formative evaluation indicators.

The PIP with counterpart concurrence must be submitted to the Bucharest AmEmbassy and ENE/EUR within ninety (90) days of the signature date of this Grant. Compliance with this requirement will be one of the key indicators considered in reviewing grant implementation when considering future funding, if any.

E.2.(b) Quarterly Reports by Reference to Quantifiable Indicators and Other Evaluation Benchmarks

E.2.(b)(1) The Grantee shall submit three (3) copies of quarterly program performance reports, which coincide with the financial reporting periods described in Section E.1. above, to the A.I.D. Project Office specified in the Cover Letter of this Grant, and to the A.I.D. Representative (or A.I.D. Affairs Officer, Economic Section at the AmEmbassy) of the country where the program is being undertaken. In addition, two copies shall be submitted to A.I.D., PPC/CDIE/DI, Washington, D.C. 20523-1802. These reports shall include quantitative and qualitative measures of performance, shall be submitted within thirty (30) days following the end of the reporting period, and shall briefly present the following information:

E.2.(b)(1)(A) Implementation status including a comparison of actual accomplishments with the established evaluation benchmarks for the period. If the output of programs can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

E.2.(b)(1)(B) Reasons why established goals were not met, if applicable, including any problems or difficulties requiring U.S. Government, possibly host country, or implementing organization attention.

E.2.(b)(1)(C) Summary financial report of all project expenditures, by subcomponent.

E.2.(b)(1)(D) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

E.2.(b)(2) Special Reports

Between the required program performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Grantee shall inform the A.I.D. Project Officer as soon as the following types of conditions become known:

E.2.(b)(2)(A) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any U.S.G., or possible host country, assistance needed to resolve the situation.

E.2.(b)(2)(B) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

E.2.(b)(2)(C) If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this Grant entitled "Revision of Grant Budget," the Grantee shall submit a request for a revision of the grant's financial plan to the Grant Officer and the A.I.D. Project Officer specified in the Cover Letter of this Grant.

E.2.(b)(2)(D) Quarterly updates and proposed modifications of annual work plans, specifically to include travel projected for the subsequent quarter.

E.2.(c) Annual Report of Project

The annual report will be submitted to both ENE/EUR, A.I.D. Washington and to the A.I.D. Representative (or the A.I.D. Affairs Officer, Economic Section at the AmEmbassy) in Bucharest. The annual report will substantively review performance against planned quantitative and qualitative measures. A further funding will be contingent on the Grantee submitting complete reporting, effectively resolving implementation problems, as well as on the availability of funds and any revisions in the overall program structure that A.I.D. may require.

Within sixty (60) days following the estimated completion date of this Grant the Grantee shall submit three (3) copies of the final report as indicated in the preceding paragraph. It should include: (1) an executive summary of the Grant's accomplishments or failings; (2) a description of the Grant activities from its inception; (3) significance of these activities; (4) comments and recommendations; and (5) a fiscal report that describes in detail how the Grant funds were used. In addition, two (2) copies shall be submitted to A.I.D., PPC/CDIE/DI, Washington, D.C. 20523-1802.

F. CLOSEOUT PROCEDURES (IN ACCORDANCE WITH OMB Circular A-110)

1. This paragraph prescribes uniform closeout procedures for A.I.D. grants.

2. The following definitions shall apply for the purpose of this paragraph:

a. Closeout. The closeout of a grant is the process by which A.I.D. determines that all applicable administrative actions and all proposed work of the grant have been completed by the Grantee and A.I.D.

b. Date of completion: The date of completion is the date on which all work under the grant is complete or the date on the award document, or any supplement or modification thereto, on which A.I.D. sponsorship ends.

c. Disallowed costs: Disallowed costs are those charges to a grant that A.I.D. or its representative determines to be unallowable, in accordance with the applicable Federal cost principles or other conditions contained in the grant.

3. A.I.D. closeout procedures are the following requirements:

a. Upon request, A.I.D. shall make prompt payments to a recipient for allowable reimbursable costs under the grant being closed out.

b. The Grantee shall immediately return any balance of unobligated (unencumbered) cash that A.I.D. has advanced or paid and that is not authorized to be retained by the Grantee for use in other grants or cooperative agreements.

c. A.I.D. shall obtain from the Grantee within ninety (90) calendar days after the date of completion of the grant all financial, performance, and other reports required as the condition of the grant. A.I.D. may grant extensions when requested by the Grantee.

d. When authorized by the grant, A.I.D. shall make a settlement for any award or downward adjustments to A.I.D.'s share of the costs after these reports are received.

e. The Grantee shall account for any nonexpendable property acquired with A.I.D. funds.

e. In the event a final audit has not been performed prior to the closeout of the grant, A.I.D. shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

G. INDIRECT COSTS

1. Pursuant to the standard provision of this Grant entitled "Negotiated Indirect Cost Rates-Predetermined", a rate has been established for each of the Grantee's accounting periods which apply to this Grant. Pending the establishment of revised predetermined, provisional or final indirect cost rates for each of the Grantee's accounting periods which apply to the Grant, payments on account of allowable indirect costs shall be made on the basis of the following negotiated predetermined rate(s) applied to the base(s) which is (are) set forth below:

<u>Type</u>	<u>Rate</u>	<u>Base</u>	<u>Period</u>	<u>Location</u>	<u>Applicable To</u>
Predetermined	68.0%	(a)	Grant Term	On Campus	Instruction
Predetermined	45.0%	(a)	Grant Term	Off Campus	Instruction

(a) Base: Total Direct cost less items of equipment, subgrants and sub-contracts, hospitalization and other fees related to patient care, off campus building rental costs, stipends, and tuition costs paid to the University. Operating fees paid to graduate assistants are included in the base.

Special Remarks The total obligated amount of this Grant is in excess of \$250,000; therefore, the appropriate rate for each location will be applied to total program costs in the same ratio as direct salary costs incurred at each location (67% On Campus, 33% Off Campus) during the period covered by the program billing or accounting.

H. TITLE TO PROPERTY

Title to property acquired hereunder shall vest in the Grantee, subject to the requirements of the Standard Provision of this Grant entitled "Title To and Use of Property (Grantee Title)" regarding use, accountability, and disposition of such property.

I. PROCUREMENT AND (SUB)CONTRACTING

I.1. Authorized Geographic Codes

All services/goods/commodities shall have their nationality/source/origin first in the United States (A.I.D. Geographic Code 000), then Romania (A.I.D. Geographic Code 186), except as A.I.D. may otherwise agree in writing, in accordance with the Optional Standard Provision entitled, "A.I.D. Eligibility Rules for Goods and Services (November 1985)". Requests for deviations to this requirement must include a full justification to be submitted to the Project Office indicated in the cover letter of this Grant. Approval of the Grant Officer and the Project Officer is required before procurement of this nature may be undertaken. Ocean shipping financed by A.I.D. under the program shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

I.2. Procurement Cost Detail

Whenever feasible, the lead U.S. grantee and/or its subgrantees will be responsible for purchasing the U.S. equipment and commodities required for the technical assistance components of the program. This equipment must be specifically and directly linked to the training programs undertaken under the various subcomponents. The prime grantee will be responsible for providing more exact details and specifications of the commodities they propose to procure, including estimated costs of same, when requesting approval for the procurement of the commodities.

I.3. Air Transportation

The eligibility of air travel and transportation services is determined by the flag registry of the aircraft. The Standard Provision of this Grant entitled "Air Travel and Transportation" applies. Commodities are ineligible for A.I.D. financing hereunder if shipped under an air charter that has not received prior approval of the Grant Officer, regardless of whether such transportation costs are financed hereunder.

I.4. Government Owned Organizations

Notwithstanding the foregoing, a Government Owned Organization, i.e., a firm operated as a commercial company or other organizations (including nonprofit organizations other than public educational institutions) which are wholly or partially owned by governments or agencies thereof, are not eligible as suppliers of goods and commodities, commodity-related services, or services (other than commodity-related services), except as the Grant Officer may otherwise agree in writing.

J. SPECIAL PROVISIONS

J.1. (Sub)contracting with Nonprofit Organizations

For the purposes of this Grant, references to "OMB Circular A-122" in the Standard Provisions of this Grant shall include the A.I.D. implementation of this Circular, as set forth in Subpart 731.7 of the A.I.D. Acquisition Regulations (AIDAR) (48 CFR Chapter 7).

J.2. Employee Salaries

Except as the Grant Officer may otherwise agree in writing, A.I.D. shall not be liable for reimbursing the Grantee for any costs allocable to the salary portion of direct compensation paid by the Grantee to its employees for personal services which exceed the highest salary level for a Foreign Service Officer, Class 1 (FS-1), as periodically amended.

J.3. Consultant Fees

Compensation for consultants retained by the Grantee hereunder shall not exceed, without specific approval of the rate by the Grant Officer: either the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years; or the maximum rate of a Foreign Service Officer, Class 1 (FS-1) (as periodically amended), whichever is less. A daily rate is derived by dividing the annual compensation by 2,087 and multiplying the result by 8.

J.4. Equipment and Other Capital Expenditures

J.4.(a) Requirement for Prior Approval

Pursuant to the Standard Provisions of this Grant entitled "Allowable Costs" and "Revision of Grant Budget," the Grantee must obtain A.I.D. Grant Officer approval for the following:

Purchase of "General Purpose Equipment," which is defined as an article of nonexpendable tangible personal property, the use of which is not limited only to research, medical, scientific, or other activities (e.g., office equipment and furnishings, air conditioning equipment, reproduction and other equipment, motor vehicles, and automatic data processing equipment, having a useful life of more than two years and an acquisition cost of \$500 or more per unit.)

J.4.(b) Approvals

In furtherance of the foregoing, the Grant Officer does hereby provide approval for the following purchases, which shall not be construed as authorization to exceed the total estimated amount or the obligated amount of this Grant, whichever is less (see section C. of this Schedule):

<u>Item Description</u>	<u>Quantity</u>
Portable computer (CPU and monitor unit)	5
facsimile (fax) machines	4

J.4.(c) Exception for Automation Equipment

Any approval for the purchase of automation equipment which may subsequently be provided by the Grant Officer is not valid if the total cost of purchases of automation equipment (e.g. computers, word processors, etc.), software, or related services made hereunder will exceed \$100,000. The Grantee must, under such circumstances, obtain the approval of the Grant Officer for the total planned system of any automation equipment, software, or related services.

J.4(d) Used Equipment

Used equipment may only be purchased with the prior written approval of the Grant Officer.

J.5. Defense Base Act (DBA) and/or Medical Evacuation Insurance

Pursuant to Section J.16. of OMB Circular A-21 the Grantee is authorized to purchase DBA and/or medical evacuation insurance under this Grant.

K. ORDER OF PRECEDENCE

The grantee's proposal (application) of December 1990 and revision of May 1, 1991 are hereby incorporated as Attachment 4. In the event of any inconsistencies in this Grant, they shall be resolved by applying the following descending order of precedence:

- Attachment 1 - Schedule
- Cover Letter
- Attachment 3 - Standard Provisions
- Attachment 2 - Program Description
- Attachment 4 - UW's Grant Application and Revision

L. STANDARD PROVISIONS

The Standard Provisions set forth as Attachment 3 of this Grant consist of the following Standard Provisions denoted by an "X" which are attached hereto and made a part of this Grant:

**L.1. Mandatory Standard Provisions For U.S.,
Nongovernmental Grantees**

- (X) Allowable Costs (November 1985)
- (X) Accounting, Audit, and Records (September 1990)
- (X) Refunds (September 1990)
- (X) Revision of Grant Budget (November 1985)
- (X) Termination and Suspension (May 1986)
- (X) Disputes (November 1989)
- (X) Ineligible Countries (May 1986)
- (X) Debarment, Suspension, and Other Responsibility Matters (March 1989)
- (X) Nondiscrimination (May 1986)
- (X) U.S. Officials Not to Benefit (November 1985)
- (X) Nonliability (November 1985)
- (X) Amendment (November 1985)
- (X) Notices (November 1985)

**L.2. Additional Standard Provisions For U.S.,
Nongovernmental Grantees**

- () Payment - Letter of Credit (November 1985)
- () Payment - Periodic Advance (January 1988)
- (X) Payment - Cost Reimbursement (November 1985)
- (X) Air Travel and Transportation (November 1985)
- () Ocean Shipment of Goods (May 1986)
- (X) Procurement of Goods and Services (November 1985)
- (X) AID Eligibility Rules for Goods and Services (November 1985)
- (X) Subagreements (November 1985)

- (X) Local Cost Financing (November 1988)
- (-) Patent Rights (November 1985)
- (X) Publications (November 1985)
- (X) Negotiated Indirect Cost Rates - Predetermined (May 1986)
- () Negotiated Indirect Cost Rates - Provisional (May 1986)
- (X) Regulations Governing Employees (November 1985)
- () Participant Training (May 1986)
- () Voluntary Population Planning (August 1986)
- () Protection of the Individual as a Research Subject (November 1985)
- () Care of Laboratory Animals (November 1985)
- (X) Government Furnished Excess Personal Property (November 1985)
- (X) Title To and Use of Property (Grantee Title) (November 1985)
- () Title To and Care of Property (U.S. Government Title) (November 1985)
- () Title To and Care of Property (Cooperating Country Title) (November 1985)
- () Cost Sharing (Matching) (November 1985)
- () Use of Pouch Facilities (November 1985)
- (X) Conversion of United States Dollars to Local Currency (November 1985)

M. COST SHARING AND OTHER CONTRIBUTIONS

While cost sharing is not a requirement under this Grant, A.I.D. expects that the Grantee will expend from non-federal funds the amount shown in the financial plan (Section D) of this Grant under the column headed "Others Nonfed." Expenses incurred after June 7, 1991 by UW which are funded from non-federal sources in furtherance of the program may be considered by UW under this column heading.

N. SUBAGREEMENTS

It is anticipated that UW will subgrant to Washington State University (WSU) and various Romanian institutions. The Grantee shall therefore comply with the applicable standard provision entitled "Subagreements."

(End of Attachment 1)

ATTACHMENT 2

PROGRAM DESCRIPTION

A. Program Purpose

The purpose of the Management Training and Economics Education Program is to develop the technical, management, and economics skills necessary to restructure Central and Eastern European economies and develop competitive markets and businesses. The training provided by the Grantee is to serve as a catalyst to market reform in the region.

B. Background

The countries of Central and Eastern Europe are experiencing dramatic political and economic change. One of the most important changes is the restructuring of the basic economic infrastructure from a centrally-planned to a market-driven system. After 40 years of socialism, most of the citizens are not prepared for the challenges of a market economy. While most of the countries generally have highly educated and intelligent work forces, years of central planning and state ownership have left most individuals with a lack of the basic skills necessary to manage private business. Managers of small and large enterprises do not know how to deal with the choices involved in buying and selling under constantly changing market conditions characterized by a large number of choices. Government economics planners and politicians have little knowledge of alternative ownership schemes; of how to finance the privatization process; of how to redirect trade toward a wider, more competitive world market. Even the public at large needs to be educated to the awards and difficulties associated with the differentiated income and capital accumulation levels as well as the impact of changing personal buying power that is part of the market economies.

C. Program Objective and Description

The University of Washington (UW) and its subgrantee, Washington State University (WSU), propose a management training and economics education program in Romania, in close collaboration with the Bucharest Polytechnic Institute (PIB) and the Academy of Economic Studies (ASE). Those relationships will lead to the strengthening of business education programs at the Romanian institutions and the development of a small business assistance program. These programs will enhance the social, cultural, and economic linkages between Washington State and its two leading universities with Romania's leading economic studies center and engineering school.

D. Program Components

The Small Business Development Center of WSU will take the lead in management training. It will send a team of business trainers to Romania to assist with the transfer of the organizational and operational aspects of its small business assistance model.

The Executive Programs Office of the Graduate School of Business Administration at UW will take the lead in economics education. It will develop and deliver four short lecture series on accounting and finance at the two collaborating universities. The School will also work with Romanian faculty to improve the business curriculum.

Librarians from both WSU and UW will work to strengthen the business libraries of the host institutions.

(End of Attachment 2)

80 C.

Attachment 4

**MANAGEMENT TRAINING AND ECONOMICS EDUCATION
FOR ROMANIA**

TECHNICAL APPLICATION

**UNIVERSITY OF WASHINGTON
&
WASHINGTON STATE UNIVERSITY**

No. SPO/EE-91-002

**A Proposal Submitted to the
United States Agency for International Development**

December 1990

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APPENDICES with technical application

A. Support letters

Academy of Economic Studies, Bucharest
Polytechnic Institute of Bucharest
Marian Aitches, Ph.D., Fulbright Scholar, University of Bucharest
Rom M. Markin, Dean, College of Business and Economics, WSU
U.S. Small Business Administration, Region X, Seattle

B. Program Organization Chart and Resumes/Vitaes

Chart
UW
WSU

C. WSU International Development Contracts

COST APPLICATION (In separate sealed envelope.)

Total Budget with Budget Explanations

APPENDICES with cost application

D. Washington State University Subcontract budget and explanation

E. Romanian Subcontract budget explanation

F. Assurances and Certifications

UW
WSU

G. Contractor Employee Biographical Data Sheets

UW
WSU

1. EXECUTIVE SUMMARY*

1) Description of Program

In response to the US AID initiative "Management Training and Economics Education for Central and Eastern Europe" (MTEE/CEE) the universities of Washington and Washington State are combining their strengths as a major research university and a land grant university to develop institution to institution relationships with Bucharest Romania's Academy of Economic Studies (ASE, *Academia De Studii Economice*) and the Polytechnic Institute of Bucharest (PIB). Those relationships will lead to the strengthening of Business Education programs at the Romanian institutions and the development of a small business assistance program. Those programs will enhance the social, cultural, and economic linkages between Washington State and its two leading universities with Romania's leading economic studies center and engineering school. (A list of acronyms is provided on page 29.)

Primary Assumption

Business education in a free market economy, as taught at the State of Washington's two universities, can be transferred to Romania's newly emerging market economy. To do so effectively requires adaptation to local cultural issues, institutional maturity, and current business environment. Programs of the office of Executive Programs at the University of Washington are custom designed for clients from over 20 countries and will be adapted to the Romanian context. The Washington State University Small Business Development Center program, with its emerging international initiative, will be adapted to Romania to enhance contributions of small businesses to its national economy.

Goals

- To introduce basic finance and accounting principles operating in a market economy. Institutional faculty and trainers will learn to: understand accounting principles and their applications, generate and use financial ratios to assess performance, conduct cost planning, and analyze cash flow;
- To teach basic management and marketing strategies as they apply in the competitive environments of a market economy. Institutional faculty and trainers will learn to: develop a comprehensive action plan for the current change situation and understand marketing's role in strategic planning;
- To provide capacity building assistance for the Romanian educational institutions to establish or improve a system for the delivery of business assistance to small businesses;
- To develop methods for transferring the organizational and operational aspects of the Washington State University small business assistance model, with adaptations appropriate to the Romanian environment;

* Whenever the term "Economics" or "Economics Education" is used in this application it is meant to be interpreted in the broad sense, i.e., education in management, market environment, accounting, finance, resource allocation, and human resource management, as well as economics.

- To provide training in small business development assistance for Romanian personnel, while enhancing the Washington Small Business Development Center staff understanding of business practices, procedures and economic needs of the host country;
- To support the above programs through a program of library acquisitions in the areas of small business development extension materials and general market economics books.

2) Program Management

United States: Douglas F. Podoll, the Associate Director of International Programs of the Executive Programs office of the University of Washington's Graduate School of Business Administration, will serve as the Project Coordinator. The Training Specialist in the area of Small Business Development will be Robert L. Tolar. Dr. Tolar is the Coordinator of Education and International Programs for the Washington State University Small Business Development Center. The Training Specialist in the area of Economics Education and Library Acquisitions will be an employee of the Executive Programs office at the University of Washington and will be named upon receipt of the grant. Such positions are filled at Executive Programs by individuals selected by joint committees of the Executive Programs office and Business School faculty after development of the curriculum with the client to best meet the client's needs and will be done in a matter of days. This team of three will have primary responsibility for curriculum development and modification and liaison with the Romanian institutions. Their technical and resource bases will be the Graduate Schools of Business Administration of the two universities.

Romania: Professor Dr. Constantin Barbulescu, Rector of the Academy for Economic Studies in Bucharest, Romania, will be the primary partner for the project in Romania. He has pledged to make available key faculty and staff members for program development and administration. He has also pledged to provide the cost sharing necessary for program support. The second partner will be Professor Dr. V.N. Constantinescu, Rector of the Polytechnic Institute of Bucharest. Rector Constantinescu has requested assistance in developing marketing, management, and entrepreneurial courses for students and practicing engineers.

3) Cost of Project

The cost of the project is listed only in the "Cost Application." Please see the appropriate sealed envelope.

2. PROPOSAL

Background

University of Washington

The University of Washington is one of the nation's outstanding universities.

Founded in 1861, the University has sixteen schools and colleges offering instruction in more than one hundred academic disciplines that include architecture, arts and sciences, business administration, dentistry, education, engineering, forest resources, law, medicine, nursing, pharmacy, public affairs, public health, ocean and fishery sciences, and social work.

The University's teaching and research faculty is known nationally and internationally for its accomplishments. For nearly two decades, the University has been among the top five institutions in the amount of federal grants and contracts attracted by its faculty and is currently ranked first among public institutions.

Research and instruction at the University are supported by a library collection of more than four million volumes. With five major units and seventeen branches, the library system is one of the most extensive in the nation.

The University plays a critical role in attracting new businesses to the region, especially those involved with high technology. It provides these business both with a steady stream of well-educated graduates to serve as employees and with skilled faculty members to serve as consultants and research collaborators.

Graduate School of Business Administration

The University of Washington Graduate School of Business Administration is dedicated to the pursuit of excellence in each of its three major degree programs: Master of Business Administration, Master of Professional Accounting, and the doctoral program. We are proud to be part of a great University whose continuous pursuit of excellence has earned it an international reputation for achievement in basic and applied research, innovative educational programs, and service to its community.

The Graduate School of Business Administration enjoys a long and distinguished tradition of providing quality graduate education. It was one of the first schools in the western United States to offer graduate business degree programs. The first master's degree was awarded in 1921, the same year that the school was awarded national accreditation by the American Assembly of Collegiate Schools of Business. The school is also a member of the Graduate Management Admission Council, a cooperative organization of more than seventy-five graduate management schools that sponsors and controls the administration of the Graduate Management Admission Test, conducts research on admissions practices, and provides information about graduate management education to prospective students.

Today, the Graduate School of Business Administration is consistently recognized for its educational excellence. Ranked as one of the leading schools of business in the nation, the Graduate School of Business Administration offers the kind of innovative and broad-based curriculum appropriate to managers. Seven hundred students in three degree programs are taught by a distinguished faculty committed to excellence in management education and research.

The region's recognition of and support for the school is evidenced by the number of endowed professorships and chairs, scholarships, fellowships, and funding contributions for research and curriculum development that the school has received. Many of the school's graduates serve in key positions in the Pacific Northwest, throughout the nation, and large global corporations.

MBA students can enhance their two-year educational experience by participating in one of our six international exchange programs. We currently have foreign study agreements with business schools in Denmark, England, Finland, France, and Japan.

- Copenhagen School of Economics and Business Administration, Copenhagen Denmark. Courses on EEC economy, finance and policies; East-West trade; and international finance in a European context. Faculty from government, business, and the Copenhagen School.**
- Cranfield School of Management, Bedford, England. Courses on EEC economy, international business, marketing, negotiating, accounting, and strategic management, with an emphasis on case study methods. Faculty from English academics with professional experience in their fields.**
- Helsinki School of Economics and Business Administration, Helsinki, Finland. Courses on accounting and finance in an international context, taught in one to four week intensive modules. Faculty from universities and businesses all over the world.**
- Ecole de Superieure de Commerce de Paris, Paris, France. Courses on international management, marketing, and accounting.**
- Institute for International Studies and Training (IIST), Fujinomiya, Japan. Courses on international marketing and finance and Japanese society and business. Faculty from American and Japanese universities and corporations.**

These exchange programs give University of Washington students the opportunity to study and interact in a variety of foreign environments. Not only are the cultures of the programs highly diverse, but the faculty and curriculum in the various countries support different teaching methods and course structures.

Center for International Business Education and Research (CIBER)

The University of Washington School of Business has received a three-year grant from the U.S. Department of Education (DOE) to create the Center for International Business Education and Research (CIBER). The new center is expected to become a catalyst for the expansion and improvement of international business education for the entire Pacific Northwest, as well as a significant national resource.

CIBER will receive \$240,000 of government funding for the 1990-91 academic year. Over the initial three years of funding, the Department of Education will contribute approximately \$900,000, representing about one third of the Center's budget. One of the major purposes of the center is to build bridges between the business school and the international business community, and to forge closer links within the university between the business school, other University of Washington professional schools, and foreign language and international studies departments.

Gerhard Mueller, senior associate dean and a specialist in the international aspects of accounting, is the executive director of CIBER, and Richard Moxon, a professor of international business management, is the center's faculty director.

The Pacific Northwest region's economy relies heavily on international trade and Washington State has the highest per capita level of export revenue in the country. Seattle increasingly serves as a bridge between Asia and Europe. The major industries of this area are immersed in international commerce and will provide a strong base of support for CIBER's activities. CIBER is developing a series of academic, research, and outreach activities to serve this Pacific Northwest international business community.

CIBER's academic programs will focus on in-depth training for students preparing for careers in internationally oriented corporations. Under a special International Fellows Program, MBA students will have the opportunity to combine advanced language training, plus a foreign business internship, with the business curriculum. The initial fellows will concentrate their studies in Japan and Germany with two other countries to be added by the third year. A program will also be created to utilize the experience of foreign students to enrich the education of US students, and will work to integrate more effectively the foreign and US students. CIBER will also assist faculty in developing innovative international elective courses, will expand foreign study and exchange programs, and will invite international business speakers to campus.

CIBER's research program will focus on applied interdisciplinary research on international competitive issues facing industries in the Pacific Northwest. Faculty research and travel grants will be used to encourage international research. A new Research Colloquium on Global Business will bring together faculty from the schools of business, international studies, law, engineering, forest resources, and others. CIBER is planning to work with other educational institutions in the region to enhance the programs available to students and businesses on international business issues.

Included among CIBER's outreach efforts, to be jointly sponsored with the Washington Council for International Trade, will be an International Business Roundtable, which will convene business, government, and academic leaders from the region to discuss current international business issues with prominent speakers from the world business community.

Executive Programs (EP)

The University of Washington's office of Executive Programs is a self-sustaining service organization within the Graduate School of Business Administration that designs and presents noncredit seminars and residential programs. The Director of Executive Programs works directly for the Dean of the School of Business Administration and is fully responsible for EP's revenue-based budget. It has been offering executive training programs for more than thirty-five years and trained more than 1,400 executives and managers during the 1989-90 academic year. Executive Programs has developed programs in management and finance for international clients from 19 Pacific Rim countries and Boeing Corporation partners in the United Kingdom and Canada. All of the international programs are custom designed for specific business and institutional clients. Program experience includes:

- The Aerospace Industry Manufacturing Seminar (AIMS) is a three-week course designed for the Boeing Company's mid- and senior-level aerospace managers. Over the past 30 years 1,200 participants for Boeing in the US, from Rolls Royce in the United Kingdom, and from DeHavilland in Canada have attended these seminars.
- The Hyogo Training Program, which is targeted for Japanese business and government managers, consists of extensive lectures on American business, politics, economics, and culture, as well as corporate tours for the industry participants and visits to governmental agencies for administrators.
- The Pacific Rim Bankers Program is an annual three week program in its fourteenth year and has enrolled over 800 bankers from 19 countries. The program is co-sponsored by the School of Business Administration and the bankers associations from 12 western states.
- The Korean Bankers Program attracts between 35 to 45 mid-level bank managers from the major Korean banks. The program is an intensive course on financial topics, covering both the US banking system and the general world economic and financial environment.
- The five-week Japanese Banker's Program provides executives with intensive training in American business and banking, along with comprehensive language and cultural classes.
- The Meidi-ya Corporation of Japan sponsors a 10-day program on Japanese and US food marketing and management practices. Northwest

grocers and wholesalers present lectures on US marketing practices and sponsor tours of local facilities.

- **Now in its 22nd year, the eight-month Management Program offers training for the mid- and upper-level administrators who need new management skills for future business challenges. That training thus includes a major segment on the global economy and international marketing**

Executive MBA

The Executive MBA Program is a two-year course of study for managers who have been identified as potential general managers, as well as for those already in senior management ranks. It is especially suited to mid-career managers moving from specialized fields into general management. The program provides an efficient, effective means by which companies may groom their best managers to develop more quickly and assume broader corporate responsibility. It is a fully integrated, in-depth educational program in general management. It provides participants the opportunity to strengthen their understanding of fundamental business knowledge and to apply that understanding to an appreciation of the organization in its competitive situation as well as to the economic, political, and social forces that influence business decisions.

For students in the program, usually men and women in their thirties and forties who have been out of school for over ten years, the program represents an extraordinary opportunity to acquire an in-depth management education at one of the nation's leading graduate schools of business. Within the first year of operation the program already was nationally recognized as among the best in the country. The Executive MBA Program is committed to providing participants with the richest and most rewarding personal and professional experience possible in a course of study of this range and duration.

Jackson School

The Henry M. Jackson School of International Studies has a history that began in 1909 when the University established a Department of Oriental Subjects. The program eventually grew into a full-fledged School of International Studies in 1978 and in 1983 the School adopted the name of Senator "Scoop" Jackson to honor his commitment to the field of international affairs and his long-time support of the School. The overall purpose of the School of International Studies is to encourage research in comparative and international affairs, increase the supply of trained specialists in these areas, and foster a more broadly informed public on the subject of international affairs. The School aims to accomplish these goals by integrating courses and faculty in various professional and scientific programs and schools at the University, and by serving as a regional center for study, research and outreach in these fields. Unlike most other schools of International Studies, the Jackson School has its own faculty of professors who hold their appointments entirely in the School or jointly with another academic department at the University. The current faculty contains over 100 members.

The Jackson School is home to seven federally-funded National Resource Centers: International Studies, East Asian Studies (including China, Japan, and Korea), Middle East Studies, Russian and East European Studies, South Asian Studies, Canadian Studies, and Southeast Asian Studies. There are also two regional committees at the School: African Studies and West European Studies. The School offers eight Bachelor of Arts degree programs and six Master of Arts degree programs. Students may elect to continue their graduate studies in a Doctor of Philosophy program through a University department appropriate to their background, such as anthropology, history, or political science. There are also a great variety of speakers, conferences, research activities, career workshops, overseas study opportunities, and public services hosted and sponsored by the School.

The Russian and East European Studies Program is designed to provide students with comprehensive, interdisciplinary coverage of Russia, the USSR, and Eastern Europe. The interdisciplinary curriculum encompasses courses in anthropology, comparative literature, economics, geography, history, landscape architecture, philosophy, political science, and sociology. There are also joint degree opportunities with the Schools of Business Administration, Communications, Law, Music; the College of Education; and the Institute for Marine Studies. Language instruction is offered in Bulgarian, Czech, Hungarian, Old Church Slavonic, Polish, Romanian, Russian, Serbo-Croatian, Ukrainian, and all the languages of Soviet Central Asia. Overseas language study is available through the Jackson School in Egypt, India, Japan, Nepal, Pakistan, the People's Republic of China, the Soviet Union, and Taiwan.

The School's research effort is integrated into an educational program directed toward policy makers, local and national educational committees, and the general public. Colloquia and seminars in international, regional, and topical studies are open to faculty, research associates, and students. Prominent scholars in their field come to the School to conduct research and to augment the teaching and scholarship of the School's faculty. The Jackson School also publishes several highly respected journals, including the *Journal of Japanese Studies*, the *Journal of Korean Studies*, and *East European Politics and Societies*. In conjunction with the University of Washington Press, the School has published more than fifty specialized monographs in four outstanding series: Asia, Russia and Eastern Europe, Ethnicity and Nationality, and the Han Dynasty.

Washington State University

Washington State University (WSU), founded in 1890, is the land-grant university for the State of Washington. Its mission is to provide instruction, research, and community services for the citizens of the State, the nation and the greater world community. Graduate and undergraduate training is offered in all major disciplines and numerous technical and professional fields. The academic program at WSU is composed of seven colleges (Business and Economics, Agriculture and Home Economics, Education, Engineering, Pharmacy, Sciences and Arts, and Veterinary Medicine) and the Graduate School. Within the seven colleges there are fifty-two academic departments and twelve inter-

disciplinary programs. More than ninety fields of study are open to undergraduates. Advanced degree programs include fifty-nine master's programs and thirty-nine doctoral degree programs. Current enrollment is 16,300 students, including about 1840 graduate students. There is a large international student population, approximately 1000 in 1989-90.

The University has recognized and is responding to the new needs and opportunities resulting from the increasing interdependence of nations and their peoples. It is in this dynamic environment of change that we feel that participation in the MTEE for Central and Eastern Europe can both contribute to and benefit from WSU's internationalization efforts.

WSU brings strong capability and relevant experience to the proposed activities of the Management Training and Economics Education for Central and Eastern Europe Project (MTEE/CEE). This capability is centered in the College of Business and Economics and its Small Business Development Center, and includes access to a wide range of disciplines, programs, departments and colleges at WSU, together with regional and statewide university-affiliated programs, and international programs, projects, and institutional linkages overseas.

Relevant programs are highlighted below; additional details follow this summary.

- The WSU Small Business Development Center (SBDC) operates a statewide network of programs focusing on small business development and management. This program includes training and research components and operates throughout the state of Washington through the main and branch campuses of WSU and at 26 cooperating community colleges in the region. The SBDC is active in international business management research, education and training, including the development of mutually beneficial trade relationships with developing countries.
- Within the WSU College of Business and Economics, an established, ongoing International Business Program provides a broad spectrum of degree and specialized non-degree training programs, courses and activities.
- The International Marketing Program for Agricultural Commodities and Trade, housed within the College of Agriculture and Home Economics, is extensively involved in international marketing and business. This is predominantly in the areas of agribusiness and trade.
- Cooperative agreements, international programs and projects, and collaborative activities are also ongoing with a large number of institutions and organizations in both the developed and developing countries, predominantly through the International Program Development Office, the Office of International Education, and the International Marketing Program for Agricultural Commodities and Trade. It is anticipated that long-term collabo-

rative linkages with institutions in Eastern Europe, in support of the objectives of the MTEE/CEE, will result from the proposed activities.

The Small Business Development Center (SBDC)

The SBDC is a cooperative effort by Washington State University, in coordination with other universities, community colleges, private sector organizations, the state of Washington, and the U.S. Small Business Administration, to provide business management technical assistance, training and research to business owners and managers to improve profitability and economic growth. The "lead" SBDC is located at WSU in Pullman; this center works in coordination with 16 other locations across Washington state (Regional Small Business Development Centers are located in Colville, Everett, Longview, Moses Lake, Omak, Olympia, Pullman (lead), Seattle, Spokane, Tacoma, Tri-Cities, Vancouver, Wenatchee, and Yakima) in the provision of assistance. Representatives from all network institutions meet semi-annually to exchange information, attend professional development workshops, and develop plans for future small business education, counseling, and research. These meetings would provide an appropriate forum for the dissemination of information from the International Business and Education Center. In 1988, the Washington SBDC provided business development counseling, business/financial planning, market analysis, and information and technical assistance to over 6,400 businesses in the State. Activities carried out by the SBDC include:

- The conduct and coordination of applied business and economic research, such as feasibility studies, questionnaires, market research, assessments of community economic development and economic impact, and trade;
- The provision of pragmatic one-to-one management counseling for small business persons throughout Washington, in areas which include export/import opportunities, business planning and management, and regulatory issues. Research assistance is also provided in the area of international trade; and
- The development and presentation of seminars, conferences, short courses, and publications. A quarterly newsletter is also published for the business community.

In addition, the Washington SBDC works with the excellent community college infrastructure, through direct contracts or subcontracts, to provide business assistance. All 27 of Washington's community college districts present SBDC seminars and workshops, aimed primarily at business owners/managers. During 1988, this network delivered 510 workshops, to assist more than 9,425 people improve their business capabilities, in both a domestic and an international context. During the past few years, international trade, primarily in the area of export, has been an area of emphasis. The Washington SBDC network is offering twenty-two courses in export-related areas in 1989.

College of Business and Economics (CBE)

The WSU College of Business and Economics has an established, ongoing International Business Program. The program provides education and training for students enrolled in degree programs at the WSU main campus and at the three WSU branch campuses. In addition, non-degree specialized programs, short-courses and internships in international business are provided for individuals throughout the state and region as well as for individuals from foreign countries. The program focuses on the areas of international business and business management, international finance, international marketing, comparative international management, international business law, and the economics of international trade and finance. The current international business program is an interdepartmental effort, with faculty representing CBE departments of: Economics, Accounting and Business Law, Marketing, Finance, and Management and Systems. These faculty bring extensive international experience through their participation in U.S. and overseas activities in international business. The oversight and development of the International Business Program has been carried out by a Planning Committee consisting of CBE faculty teaching international business courses, together with ex officio representatives from the Department of Foreign Languages, the Anthropology Department, the History Department, the Political Science Department, and the International Education Office. In addition to developing business studies courses, this group has identified existing support courses and encouraged the development of others. An anthropology course examining international business culture has been taught for three years. Courses in philosophy, history, political science, and economics are under development. An awareness of cultural understanding and its important relation to international business relations are provided by courses taught by the Department of Anthropology, and by special non-degree courses, workshops and seminars within the areas studies programs, the International Program Development Office, and other relevant programs and departments.

In addition to teaching responsibilities, faculty within the College of Business and Economics are involved in research, outreach programs, and overseas activities that are relevant to international business education. Research topics are augmented in part through the Business Development program within the College, which is advised by business leaders from throughout the state. This provides a direct means by which faculty can work with the business community to identify and solve business programs. Illustrative research topics include:

- Financial research has examined the development of financial markets in developing countries, market efficiency in developed countries, and international aspects of financial innovation.
- Within the Department of Accounting and Business Law, international intellectual property law and comparison of the legal systems of Eastern Europe, Japan and the United States have been and are targeted as subjects of legal research.

- A major focus of marketing research is the area of cross-cultural consumer behavior, and its relationship to management and marketing. Faculty members in the Department of Marketing have and continue to work in Japan, Singapore, Thailand, and several African countries, including Senegal, Togo, Benin, Guinea, Central African Republic, and others.
- Within the Economics Department, research is underway to investigate the potential for joint ventures between firms in different countries through the harmonization of tax regulations, etc.

International Marketing Program for Agricultural Commodities and Trade (IMPACT)

IMPACT leads an aggressive, coordinated thrust in the area of agribusinesses, marketing, and trade. Their operational premise is that successful international marketing is dependent on identification of overseas consumers' wants, with the subsequent tailoring of production, processing, and marketing to meet those wants. IMPACT utilizes interdisciplinary teams to solve important international marketing problems. These teams are comprised of faculty in agriculture, business and economics, marketing and finance, engineering, and veterinary medicine, together with support from the WSU libraries, foreign language, and computer science. IMPACT's research and information dissemination activities include:

- Increased information about foreign markets, consumers, cultures, distribution channels, and trading systems needed by businesses operating in overseas markets;
- Solutions to economic, social, and/or technical problems that impede exports of specific products/processes; and
- Development of new products, processes, systems, or strategies to help the State of Washington/Pacific Northwest better meet the needs of overseas consumers.
- Links with WSU's statewide Extension system are being used to transfer technology and training to agribusiness clientele.

IMPACT policy is set by a statewide advisory council, with representation from agricultural production, processing finance, marketing and transportation. A university review committee has representation from the Dean and Directors of Research, Extension, Teaching and International Program Development, as well as the Director and International Manager of the Washington State Department of Agriculture. IMPACT programs complement and support the proposed activities.

International Program Development Office (IPDO)

WSU's IPDO has university-wide responsibility for the implementation and management of international development programs, projects, and international education activities at WSU. IPDO's International Development Cooperation

Office is maintained to provide administrative and programmatic backstopping and support to ongoing projects and will be available to assist the MTEE/CEE program. WSU faculty have gained extensive experience and enhanced disciplinary expertise through participation in short- and long-term assignments on development assistance contracts in a large number of countries around the world. Past and ongoing projects have focused on economic policy and development, privatization, small business management; international marketing and trade, and the development of social accounting matrices for the development of income-generating business activities. For example, faculty within the Department of Marketing at WSU have worked extensively with USAID-sponsored projects in Benin, Togo, Senegal, Guinea, Malawi, Mali, and Nepal. IPDO provides development management training and experiential opportunities to develop faculty capability and experience to work internationally. WSU's international development involvement is summarized in Appendix C.

3. PROGRAM DESCRIPTION

a) Program Definition and Scope

Romania is currently celebrating the anniversary of the overthrow of their communist regime with strikes against the current government of President Ion Iliescu. Amidst these problems positive and powerful signs can be found of institutional growth and development in the direction of training for an open market society. The Academy of Economic Studies in Bucharest has accepted an initial class of 125 students into an English language, business education program. They are now seeking assistance with that program as they try to train business people, business counselors, and future Academy faculty members. The ties to the former communist regime of the current government have kept US institutions out of Romania, but the courage and insight demonstrated by the Academy of Economic Studies and their colleagues in engineering at the Bucharest Polytechnic Institute should be supported from the earliest possible moment. The Universities of Washington and Washington State propose to accept that challenge through the following priority areas for activity.

a. Management Training The Small Business Development Center of Washington State University will send a team of business trainers to Romania to assist with the appropriate transfer of the organizational and operational aspects of the small business assistance model. That transfer will be based on the results of an initial research team working in conjunction with Romanian counterparts to determine the requirements for adapting the model to the Romanian institutional and business environments. The emphasis the first year is to train a group of small business counselors who are supported by the Academy and the Polytechnic, but whose role is to work directly with small businesses.

b. Market Economics Education The Executive Programs office of the Graduate School of Business Administration at the University of Washington will develop four short lecture series for the Academy of Economic Studies and the Bucharest Polytechnic Institute. That series will be developed based on information received from the research done by the Small Business Development team. It is anticipated that the basics of accounting and finance will be the back-

bone of that series given the current state of Romania's economy--a barter economy. When that core area is established, the second phase of this series will be on marketing and general management in a competitive market economy. The target audience for this program is the faculty, students, and business person alumni of the Academy and Polytechnic rather than small business counselors.

These two areas will be operationalized parallel with each other and tied together for the Romanians in a symposium on free market economics and small businesses. The second goal of the symposium will be to develop and modify the curriculum for a second year of partnership between the State of Washington and Romanian institutions.

c. Support Programs Librarians from the two State of Washington universities will travel to Bucharest early in the first year to determine the status of libraries in the two Romanian institutions and develop with the faculties of those institutions a title list of Small Business Development Extension materials and Market Economics books. Those books will be ordered in the US and delivered with cataloguing assistance by the two US librarians.

b) Program Goal, Purpose, Inputs and Outputs

To establish a small business assistance program and support and strengthen the newly developed, market economy based business education curriculums at the Romanian Academy of Economic Studies and Polytechnic Institute of Bucharest. These goals will be met by a research/development team of three spending 30 days in Romania with Romanian counterparts who will then travel to Washington State to write their report, develop and modify the two curriculums, and assist with orientation training for US trainers. A third member of the Romanian team would be a key administrator from the Academy who will spend the majority of time at the University of Washington studying the business curriculum and helping to develop the Economics Education program. A Washington State Small Business Development team of six will then travel to Romania for a ninety day period after which four will return to Washington State and two will remain for the duration of the contract. During that period they will do weekly seminars for business counselors. These will be smaller hands-on training sessions that will be designed to begin in Bucharest, but eventually also extend to smaller cities throughout Romania. In the course of one year, a core group of business counselors will be developed for Romania. The second year the top ten to twelve members of that group will be identified for training at Washington State prior to development of target industry, small business consulting in Romania. Parallel to that training, four teams of two University of Washington faculty will conduct three day seminars at the ASE in Bucharest for faculty, students, and alumni business persons of the two institutions. Those seminars will be at the Academy's large conference center. After the symposium evaluating the first year's program, the second year's curriculum will be developed and modified.

c) Program Goal

Our goal is to support the Romanian economy's emergence from years of central and brutal planning as it develops a market economy based on economic areas it shares with the State of Washington, i.e., wood products, building materials, chemicals, machinery, and food products and processing. The current regime of President Ion Iliescu has demonstrated very little change from the decades of communist dictatorship under Ceausescu. And yet institutions such as the Academy of Economic Studies and the Polytechnic Institute of Bucharest have demonstrated the courage to initiate market economy training programs. The University of Washington and Washington State University recognize the extreme challenge of working in such an environment and are prepared to offer training in areas ranging from home-based cottage industries as well as general business education for faculty members who have spent a career studying in a Marxist-Leninist planned economy.

d) Program Purposes

The purposes of the project are to transfer expertise needed for business to respond to market opportunity and to improve the understanding of the market economy on the part of higher education faculty and trainers. To accomplish this, the project will utilize the expertise and partnership of 1) the executive education program and faculty of the graduate school of business at a major research university (University of Washington, Executive Programs), 2) the business assistance outreach program supported by the research and educational programs of the school of business and economics of a leading land-grant institution (Washington State University, Small Business Development Center), 3) Romania's largest institution of higher education and research in economics and business administration (Academy of Economic Studies), and 4) Romania's top engineering institution (Polytechnic Institute of Bucharest) to establish a business assistance program and a lecture series for faculty, staff, students, and alumni. Key to the project is the ability to develop a supportive in-country infrastructure capable of providing information, technical assistance, and business development assistance to Romania's business community.

Given the connection between democracy and market economy, rapid economic growth may well be a key contributing factor to the creation and survival of democratic institutions in Romania. By assisting in the establishment of a business development center in the Academy of Economic Studies, we will assist in that economic growth.

At the same time, we will enhance social, cultural, and economic linkages between and among the United States, the University of Washington Graduate School of Business Administration, the Washington State University Graduate School of Business and Economics, the State of Washington, the Academy of Economic Studies in Bucharest, the Polytechnic Institute of Bucharest, and Romania.

At the completion of the project, Romania will have a cadre of trained business development specialists in place to provide continuing assistance to new and

developing firms and strengthened faculty in the Academy of Economic Studies and the Polytechnic Institute of Bucharest.

e) Program Outputs

The small business development initiative by Washington State University (WSU) will provide a training/research opportunity for two members of the Academy of Economic Studies (ASE) to work with the WSU team in Romania and then for thirty days in Washington State. The small business development teams that travel to Romania will provide weekly seminars for eight and one-half months for a total of thirty-four (34) seminars. Those seminars will be targeted for small business development counselors and are not intended to be massive public symposiums. Rather, they are designed to work in participative manner and will aim at doing some of their work with other institutions within Romania that have relationships with the flag ship institution ASE. During the latter months of the first year, the two remaining support people from WSU will work closely with small business development counselors in Romania as they work with specific business clients.

The Economics Education lecture series developed by the Executive Programs office of the University of Washington (UW) will be developed in partnership with one key academic administrator from the Academy of Economic Studies in Bucharest. That individual will spend 30 days in the State of Washington at UW helping to analyze the data from WSU's initial research and studying business education in the US: residential undergraduate and graduate as well as nonresidential executive MBA and noncredit executive education programs. That person will also assist with the orientation for the UW teaching teams. Four economics education seminars are planned to run parallel to the small business development program the fifth through the ninth months of the first year. These seminars are targeted primarily for the faculty, staff, and alumni business persons of both the ASE and PIB and key players in other institutions, *e.g.*, the new Department of Journalism at the University of Bucharest, (students will also be welcomed on a space available basis). We are expecting them to be held at the conference center of ASE that is in the center of Bucharest and has a modern meeting room which seats approximately 500. These will obviously be large public meetings with the participant lists developed by the two host institutions and press releases going out to the general public. Media coverage will be welcome.

A national symposium will be held in the eleventh month of the year that will draw the two activity areas together for one to two weeks. The goal of the symposium is to assist participants with synthesizing the large amounts of new information received in the past year, to review the first year's progress, and to develop and modify the curriculum for the second year of operation.

f) Program Inputs

Small Business Development: The project coordinating team will be in Romania within thirty (30) days of notification of grant award to finalize the relationships between the universities of Washington and Washington State and the Academy of Economic Studies and the Polytechnic Institute of Bucharest. Within

one week of their arrival the three member WSU research team will arrive in Bucharest to begin their work. A strategic planning seminar on small business development and business education will be presented by the project coordinators and research team within 60 days of receiving the grant.

In the fourth month of the grant, a six member, small business development team will arrive in Romania. Their input is to assist ASE in the training of a cadre of business development specialists who will assist small business owners and/or managers in planning, record keeping, marketing, and general business procedures. That training will be done through a format of weekly seminars and a great deal of one-on-one and small group format sessions. (See the next section for details.) After an initial ninety (90) days four members of the team will return to WSU leaving the other two in Romania for the duration of the first year. These two will play a key role in the development of the symposium in the eleventh month. Support materials in this area are targeted for 250 titles in the area of small business development. These materials will be of the extension variety such as publications of the US Small Business Administration and the WSU Small Business Development Center.

Economics Education: Faculty members of the Graduate School of Business Administration at the University of Washington will prepare and present four short seminars during the fifth through the ninth months of the project. These seminars will be developed in conjunction with colleagues in Romania and are expected to emphasize basic accounting and finance in the market economy. The first two seminars will be in those topic areas and possibly all four. If it is appropriate, the second priority area for training will be management and marketing strategies as they apply in a competitive market environment. This series will be supported by the purchase of 100 titles in economics education for each of the two host institutions.

Two of the University of Washington faculty members who participate in the four seminars will return in the eleventh month to join the two small business development people in Romania to develop and present a national workshop we are entitling the "Market Economics Symposium" and to develop plans for the second year of support from US AID and/or other potential donors.

Support Program: One UW business librarian and one WSU International Information Systems-Linkages and Networking Support librarian will team up to visit the two Romanian institutions' libraries to study their collections and develop a title list for purchase in the US. Once the titles have arrived in the US, the librarians will return to Bucharest with the publications to assist with cataloguing and to help establish priorities for translation.

g) Location Selection and Location-Specific Plans of Action

1) There are two central criteria for the selection of Romania and Bucharest for this proposal: 1) the interest and availability of two Romanian educational institutions which are academically independent of the government and are ready to cooperate in the execution of this project; 2) the prospect that this two year project can be started immediately and cost effectively due to the interest

expressed by the Romanian Academy of Economic Studies and the Polytechnic Institute of Bucharest and the adaptability of UW's Executive Programs and WSU's country-to-country SBDC transfer of small business training skills. While, quite obviously, a great deal of fine tuning will be necessary, the primary institutions are ready and willing to share in the operational costs of the project. We have already received letters of interest and support from our colleagues in Romania at the Academy of Economic Studies and the Polytechnic of Bucharest. ASE's letter reassures us that they are responsible for their own program development and our proposal will directly support initiatives that both Romanian Institutions have already taken on their own. We assume that the United States Cultural Affairs officer, Ms. Aggie Kupperman, will be able to assist our efforts since she has already been supportive and helpful in communications with our colleague, Dr. Marian Aitches, at the University of Bucharest. With the support of the US Embassy staff, the strong interest of the two Romanian institutions, and the strong support of our two Deans of Business Administration we believe that we will have the program operational within a matter of thirty (30) days and make an immediate and visible impact on the economic situation of our neighbors in Romania. Please see their letters of interest and support in Appendix A.

2) Activities, Organization, Beneficiaries, Implementation Plan No effective business assistance program can be developed and implemented unless it is based on a thorough understanding of the milieu in which businesses operate. Efforts to assist Romanian enterprises in the conversion to a market economy must be planned and implemented through cooperation with those institutions of higher learning which will be critical to continued technical and management assistance.

Phase I To initiate the program, the administrative team will travel to Romania to meet with appropriate individuals at the Academy of Economic Studies (ASE) in Bucharest. During this visit of fourteen (14) days, an overview of the first twelve-months program will be discussed, participating Romanian faculty will be identified and oriented, and administrative details will be addressed. Preparations will be made for the activities of the research team.

Shortly before the administrative team's return to the U.S., the research team will arrive in Bucharest and be oriented by the administrative team. Introductions to ASE participants will be made while a first joint program presentation will be readied.

Small Business Development Program/WSU A team of three (3) researchers from the Washington State University Small Business Development Center will work with a team of appropriate faculty/researchers from the Academy of Economic Studies to determine the requirements for transferring to Romania the organizational and operational aspects of the small business assistance model, with adaptations appropriate to the present environment in Romania. Lyle Anderson, the Director of the WSU Small Business Development Center (SBDC), will be one member of the research team and

accompanied by two other regular members of the WSU SBDC. The teams will work together in Romania for a period of twenty (20) days.

METHODOLOGY The research teams will use traditionally accepted and newly emerging techniques adapted to the specific Romanian context to determine an appropriate model for delivering business development services to the Romanian small business community. All work will be completed in coordination with the Academy of Economic Studies and other cooperating institutions.

OUTCOMES Specific outcomes of this short-term research will be numerous: 1) the feasibility of a small business concept in Romania will be determined; 2) a specific program structure will be outlined and a plan for implementation will be developed, centering on a modification of the small business curriculum used by the SBDC; 3) measurable outcomes or goals will be set and a technique for program evaluation will be designed.

Phase II Two (2) Romanian faculty/researchers will travel to the United States with the research team and spend the next thirty (30) days assisting in the development of an appropriate curriculum to be used in training Romanian business development specialists during Phase III of this project.

Phases I and II will accomplish the following objectives in coordination with the Academy of Economic Studies in Bucharest and economic development/business assistance leaders:

- 1) to study the cultural and economic framework in which businesses in Romania operate, compared to that in the US;
- 2) to determine the existing relationships between and among Romania's public sector, private sector, and higher education;
- 3) to determine how Romanian businesses can best benefit from a business assistance program similar to the Small Business Development Center;
- 4) to recommend an appropriate structure for delivering business assistance and which will enhance the potential for supporting a favorable business climate;
- 5) to determine which types of business can best benefit from assistance;
- 6) to determine what specific curriculum components must be developed to train business assistance providers, i.e., business development specialists;
- 7) to define the social, cultural, linguistic, and political conditions that must be addressed in the training of the business assistance providers; and
- 8) to establish reasonable, measurable program objectives and outline an evaluation process that will determine the strengths and weaknesses of the business assistance training program.

Phase III A team of six (6) business development specialists from the Washington State University SBDC will work in Romania for a period of ninety (90) days. They will work directly with participating faculty at the Academy of Economic Studies (ASE) in a program to train a cadre of business development specialists who will assist small business owners and/or managers in planning, record keeping, marketing and general business procedures. These cadre personnel will also be able to provide assistance in pre-venture planning necessary to increase the probability of success.

While the specific topics to be covered will be jointly determined by the participating universities, based on the research findings of Phase One, training must cover the following functions critical to market success: pre-venture planning, financing, business and market planning, market research, merchandising and advertising, cash flow analysis, personnel, organizational structures, purchase or sale of business, home-based business and import/export.

After the completion of training, each Romanian business adviser/counselor will work with five (5) enterprises, applying principles learned during the training sessions. The counselor will review projects with a member of the teaching team periodically.

To ensure that the newly trained business counselors have access to experienced business development specialists, two (2) Washington State University business counselors will remain in Romania for an additional 165 days. They will conduct weekly seminars for the Romanian business counselors wherein specific cases are discussed, various assistance methods considered, and potential solutions explored. They will also visit client enterprises upon request. They will further assist in the development of courses for owners and managers and, generally, participate in the creation of a system to enhance the transfer of knowledge and technology from higher education institutions to business and help develop materials and presentations for use in reaching businesses in other areas of Romania.

Contractor Employee Biographical Data Sheets are available for each of the Washington State University Personnel in the "Cost Application" portion of this application. Complete Resumes on them are available in Appendix B of this application.

Economics Education/UW The University of Washington (UW) School of Business Administration will be represented on the program development team traveling to Bucharest within thirty days of the grant announcement. While participating in the negotiations regarding the partnership and the opening seminar for the year's program, they will also work with Rector Barbulescu in his selection of an academic administrator of Bucharest's Academy of Economic Studies to travel to the University of Washington. That administrator will compile data regarding the status of economics education at ASE and their colleagues at the Polytechnic Institute of Bucharest. The Administrator will travel to the US with the WSU/Small Business Development research team. Using the data

gathered on the institution, culture, and business environment in Romania, that administrator will then work with a resource team at the Executive Programs office of UW to develop the appropriate curriculum for the economics education program seminars.

The Training Coordinator for the areas of Economics Education and Library Support will be selected upon receipt of notification of award. Upon return from Romania, that individual will arrange the itinerary for the Romanian administrator's visit. A good deal of that time will be working with School of Business administrators and faculty in development and modification of the Economics Education Program. Key personnel involved will include, but not be limited to: Robert S. Leventhal, Dean of the School and Graduate School of Business Administration; Gerhard H. Mueller, Senior Associate Dean and Professor of Accounting; Angelica R. Pilato, Director of Executive Programs for the Graduate School of Business; Richard W. Moxon, Associate Professor of International Business and the Director of the Center of International Business Education and Research (CIBER); Borje O. Saxberg, Professor and Chair of Management and Organization; J. Frederick Truitt, Associate Professor of International Business and Coordinator for Academic Programs for CIBER; and Catherine A. Bonser-Neal, Assistant Professor of Finance.

The Economics Education program development phase will accomplish the following goals within the first 75 days of the year's program:

- 1) to determine how the Academy of Economic Studies (ASE) and the Polytechnic Institute of Bucharest (PIB) can best benefit from an Economics Education seminar series;**
- 2) to recommend an appropriate structure for delivering an Economics Education seminar series that will enhance the potential for supporting the business programs of ASE and PIB;**
- 3) to determine which types of departments can best benefit from assistance;**
- 4) to determine what specific curriculum components must be developed to train ASE and PIB faculty, students, and alumni most effectively;**
- 5) to define the social, cultural, linguistic, and political conditions that must be addressed in the training of the business instructors; and**
- 6) to establish reasonable, measurable program objectives, and outline an evaluation process that will determine the strengths and weaknesses of the economics education programs for ASE and PIB.**

Contractor Employee Biographical Data Sheets were not completed on each of these individuals at this time. This team, and others will be involved in the design of the program and selection of appropriate faculty to do the instruction. At this time it is impossible to know which University of Washington faculty will actually travel to Bucharest. At the time they are selected, they will complete all

necessary forms for US AID. Short biographies of these key individuals are included in Appendix B.

Library Development Washington State University's Alice Spitzer, a librarian with vast International experience, and a University of Washington business librarian, to be named by the Economics Education design team, will travel to Bucharest during the fifth month of the project. They will meet with ASE and PIB librarians to learn of the current status of the institutional libraries in the area of market economies, especially in the areas of small business development and economics education. They will also work with appropriate department heads to develop title lists for purchasing in the US. The orders will be placed in Seattle upon their return. Once the titles have all been delivered at UW, the two librarians will accompany the shipment to Bucharest for distribution to the two institutions and to assist with cataloguing and to develop priorities for translating the texts.

It is intended that these materials be placed in publicly accessible libraries for the use of business persons, faculty, and students. During the first year of the grant, this will be the primary area of program support for the Small Business Development and Economics Education areas.

Market Economics Symposium A Market Economics Symposium will be held at the Academy of Economic Studies during the eleventh (11) month of the initial year. That symposium will bring together the two WSU Small Business Development Program people who will be in Romania with two UW faculty members to present a public symposium of faculty, business counselors, and business persons to review the topics covered and the progress made during the first year of the grant. Evaluations of the first year's work will be presented. Upon completion of the large public forum, a small seminar will be designed to have the key ASE and PIB participants and the US symposium team work together for one week to design the specifics of the second year of the project.

YEAR TWO

A key to the success of the first year is the ability of the WSU research team to quickly gather the data necessary for the design of programs in small business development and economics education that address current situations and provide timely and appropriate training for program development in Romania. Thus the first year is designed to finish with a Symposium which allows for evaluation review and is followed by a design and modification of a curriculum for a second year of funding from the Management Training and Economics Education for Central and Eastern Europe initiative of US AID. At this time the two State of Washington university partners anticipate a second year will be designed with the following programs.

Small Business Development U.S. PROGRAM: Ten to twelve Romanian citizens possessing terminal degrees in business and higher education experience will spend eight weeks at WSU and the State of Washington studying and observing small business practices, small business assistance methods and principles, and processes of technology transfer.

The program will consist of two weeks (one and three) of study on WSU campuses where they will attend lectures on U.S. small business operations delivered by Small Business Development Center staff, local entrepreneurs, and faculty from the College of Business and Economics. Topics will focus on aspects of business development and procedures which are international in nature and have applicability in all cultures. These will include providing assistance in: preventive planning, financing, business and market planning, market research, merchandising and advertising, cash flow analysis, personnel, organizational structures, purchase or sale of business, home-based business, and import/export.

Weeks two and four will consist of visits to a variety of small businesses in both urban and rural locations, consultation with small business owners and managers, attendance at a small business class, and work with Small Business Development Center counselors. The host country participants will observe the business development specialist at work, sit in on actual counseling sessions, and learn firsthand of problems facing small businesses.

During the final week of the U.S. program, host country counselors will meet daily to discuss what they have observed and design methods of implementing appropriate procedures for small business assistance in a nationwide Small Business Development Center in Romania.

HOST COUNTRY PROGRAM: Two Washington State University Small Business Development Center staff will spend three to six months in Romania assisting in the establishment of a nationwide Small Business Development Center Network including the necessary infrastructure. They will conduct weekly seminars for the host country Small Business Development Center counseling staff wherein specific cases of the counselors are discussed, various assistance methods are considered, and potential solutions explored.

The Washington State University Small Business Development Center staff will also assist in the development of a curriculum for small business education in the host country, participate in the creation of a system to enhance the transfer of knowledge and technology from higher education to small business, and develop materials and presentations for possible use in a telecommunications system to reach small businesses in remote areas of the country.

**FINAL STAGE OF SMALL BUSINESS DEVELOPMENT PROGRAM
To develop WSU SBDC expertise leading to the ability of SBDC business development specialists to provide training in Romania's business practices to Washington businesses desiring to export.**

PRIMARY ASSUMPTION

Small businesses who understand the unique business practices of Romania will enjoy a competitive advantage for potential export.

METHODOLOGY

The WSU SBDC will collaborate with Academy of Economic Training (ASE) to develop a workshop that provides insight and understanding into Romania's business practices and cultural values that are considered important or critical to a successful trade relationship.

ACTIVITIES

1) ASE will conduct a seminar focusing on "foreign enterprises conducting business in Romania." 2) Assisted by ASE, the WSU SBDC will develop a one year pilot program that (a) identifies businesses interested in host country export; (b) provides information about technical assistance available; and (c) monitors program results for clients assisted. 3) ASE will conduct a seminar focusing on methods to improve the program based on joint analysis of results with WSU SBDC.

OUTCOMES

1) The WSU SBDC will have a trained cadre of specialists able to provide technical assistance to businesses desiring to export to the host country. 2) The WSU SBDC will circulate through its statewide network contacts information about export opportunities in the host country.

Economics Education Ten to twelve Romanian faculty and administrators from the Academy of Economic Studies (ASE) and the Polytechnic Institute of Bucharest (PIB) will spend four weeks in Seattle at the University of Washington. One half of their time they will attend classes and programs of the office of Executive Programs, the Executive MBA program, and the Graduate office of the School of Business Administration. They will also be given an opportunity to visit appropriate faculty in the Jackson School of International Studies, the Engineering School, and the Economics Department. The other half of their time they will visit Seattle area corporations to discuss their operations as well as their relationship to the School of Business Administration. During the final week of their visit, they will work with UW program planners to develop an appropriate program of lectures for the second year of the grant in the area of Economics Education. That series will be based on the success of the first year's series and the priorities set by the Rectors of the two institutions.

Considering the fact that PIB is an engineering institution, initial discussions will be held with the UW School of Engineering early in the first year of the program to include their extension division in the second year of this project.

Another possibility is in the area of media and its role in a market economy. Initial discussions have been held with Dr. Mihai Coman, Dean of the new Department of Journalism at the University of Bucharest. He has expressed an interest in topics like marketing for media and public relations issues. The UW Executive Programs has collaborated with the UW School of Communications for development of a "Marketing and Advertising Management Program." Topics that could be developed for a lecture series in this area are: Marketing Research; Consumer Behavior; Direct Marketing; New Media, Media Planning, and Research; Comparison of Romanian, EEC, and US Marketing

Communications; and Public Relations and Publicity. A partnership with the Department of Journalism could also provide a source of expertise for the development of interactive videos and other support areas that US AID is seeking in these programs.

9) Sustainability

1) Institutional Sustainability As demonstrated by the location selection section of this application (page 18) a key component of the universities of Washington's and Washington State's interest in this project was the expressed interest and immediate availability of a strong partner in Romania. We are not attempting to establish a new institution in Romania, but assisting a 77 year old academy that is the largest and principal source of higher education and research in economics and business administration in Romania and Romania's chief School of Engineering. We have designed a program that is research based with Romanian colleagues working in partnership with us in all of the research activities and program design. This is not a "package deal" coming out of the State of Washington, but like all of the programs designed by Executive Programs at UW and the WSU Small Business Development Center is custom designed based on close collaboration with the clients.

We have designed a program that supports programs and curriculums that the Romanians are already in the process of implementing, but are requesting expertise from the US in the areas of market economies, management training, and business program development--expertise that over 40 years of communist rule made unavailable in Romania. In the Small Business Development Program you will note that the goal is to do the initial training within the first quarter of a two year program and then invest time and energies on working in collaboration with Romanians in their day-to-day tasks of supporting small Romanian business persons--it is the Romanians who do the counseling with Romanian businesses--with support and advice from their WSU peers.

It is envisioned that long-term mutually beneficial linkages will be established between the participating institutions and the business communities they serve. Such will serve as systems of access to new markets and marketplace information for State of Washington and the US, as well as serving Romania and its economic needs. Exploration of such linkages and business-to-business and institution-to-institution linkages will be built into the research and training activities. Such will facilitate institutional and private sector investment which will promote sustaining and building upon the efforts initiated under this project.

2) Financial Sustainability This Program did not require a cost sharing component, but you will note in the letter of interest from the Academy of Economic Studies, that ASE is prepared from the first day to cost share a Romanian coordinator's salary and provide the administrative support in office space and support staff. In addition, the Executive Programs office at UW, like nearly all of its peer programs in the US, is a self-sustaining office within the Graduate School of Business which receives no national, state, or local funding. In our role of developing a training program for ASE and PIB, and through the cost sharing by UW of our Dean's and Director's time, we will demonstrate the

management and budget skills necessary to operate management training programs that must be self-sustaining. Program development and marketing that are in tune with the needs of the business client group is key to success.

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Washington State University's College of Business and Economics and its Small Business Development Center are committed to support this effort through the cost sharing of 5% of the salary of the Dean, CBE, Dr. Rom Markin and 5% of salary of the CBE Finance Officer, Mr. Jerman Rose. In addition, the WSU International Program Development Office will continue to provide support to the Small Business Development Center to further develop models and techniques for adaptation of small business development methodologies to developing country contexts. A portion of this research agenda addresses the issue of financial sustainability of SBDC-like institutions and systems in developing countries. Such includes investment in such by the emerging private sector in such economies and investment by private sector entities in other countries seeking collaborative arrangements, greater understanding of the global marketplace, and/or access to new markets.

In light of the considerable economic uncertainty and potential for rapid evolution of the economic system in Romania, it is not feasible to set exact dates and targets for addressing the recurrent cost issues. The strategy set forth in this proposal focuses on rapid identification and dissemination of skills, knowledge and improvements to assist the small business community to contribute to economic development. Such a "rapid results" orientation has demonstrated considerable potential to promote both private and public sector investments needed to sustain such programs. It is planned that as a result of the process and content of the proposed research and training activities, by the end of the granting period, ASE and PIB, in Romania and UW, WSU, and selected clientele they serve will have developed and begun to test and implement specific strategies to meet recurrent cost needs of ongoing and future activities.

Program Management

a) **Organization** This proposal has been authored and the partnership between the two State of Washington institutions developed by Douglas F. Podoll, the Associate Director of International Programs at the office of Executive Programs of the Graduate School of Business Administration of the University of Washington. Mr. Podoll will invest 40% FTE of his time in coordinating this project for the two universities and developing the relationships with the Romanian institutions. He will make a trip to Romania at the initiation of the program with the administrative development team to formalize the partnership and facilitate the opening program with the two training specialists and the WSU research team. Mr. Podoll is a former employee of Washington State University on a US AID Title XII grant for university development in eastern Indonesia and so has strong relationships at both US universities and experience with the workings of a US AID grant. It was Mr. Podoll's colleague, Marian Aitches, a Fulbright Scholar in Romania, who acted as his representative in initiating the contacts with the two Romanian institutions. His complete resume can be found in Appendix B.

Mr. Podoll will be assisted in handling the grant account by his office's budget officer, Ms. Linda Whatley, CPA, to a level of 15% FTE. She will not be traveling to Romania. In addition to the direct support given by the Economics Education planning committee listed on page 22, indirect assistance to the project will come from working with colleagues on UW campus in the Russian and Eastern European Studies Center of the Jackson School of International Affairs, the School of Engineering, the Department of Economics, and the School of Communications.

Dr. Robert Tolar has provided the development of the Small Business Development Program for this proposal. Dr. Tolar is the Coordinator of Education and International Programs for Washington State University's Small Business Development Center. He will invest 75% FTE of his time as the training specialist in the area of Small Business Development. Dr. Tolar will travel to Romania with Mr. Podoll to assist with the establishment of the relationships and assist the Romanians in selecting their researchers to work with his WSU colleagues. Dr. Tolar is also a private business person with many years experience working overseas. His complete resume is in Appendix B.

Dr. Tolar and the WSU Small Business Development Center will be supported by Ms. Diana Caldwell for 50% FTE in the area of administrative support. Ms. Caldwell will not travel to Romania.

The training specialist in the area of Economics Education and Library Development will be named by the Graduate School of Business Administration at UW upon receipt of the grant. Executive Programs at UW is a self-sustaining program and normally appoints training specialists upon the signing of a contract and not before. We anticipate no problem having someone on board immediately and ready to join the coordinator and SBD training coordinator for the program development trip to Romania within the first 30 days of signing the contract. This position will be 100% FTE with the Management Training and Economics Education for Romania grant.

An organizational chart and resumes can be found in Appendix B.

b) Implementation Plan See chart at page 30.

c) Program Constraints Perhaps the greatest risk is the potential for political and/or economic instability increasing during the life of this program and the resulting infrastructural and decision-making problems. With that in mind, a support plan, including emergency medical evacuation insurance for US personnel, will be established in cooperation with our colleague institutions, to deal as effectively as possible with known and foreseen infrastructural constraints. Initial activities of the research/reconnaissance team will include working closely with the ASE and PIB to clearly define roles, responsibilities, and channels of authority and communication to facilitate effective implementation. However, we have great confidence in our peers in Romania being able to offer a supportive and challenging environment in which development of a market economy within Romania is the goal.

6) Monitoring and Evaluation

Both the University Washington and Washington State University have clearly defined internal control and evaluation systems. These are part of all their internal and external activities and are indeed part of this proposal. One major purpose for the research team of WSU and Romanian research specialists is to establish evaluation criteria for this project. The administrative team from both universities will be the primary quality and cost control and monitoring element during the first two phases of the project. Each of the faculty members involved in the project and programmed to be part of teaching and consulting teams will be asked to report to the administrative team, orally and in writing, after each visit to Romania or each contact with the project. That data will be the major source for the quarterly reports necessary for US AID.

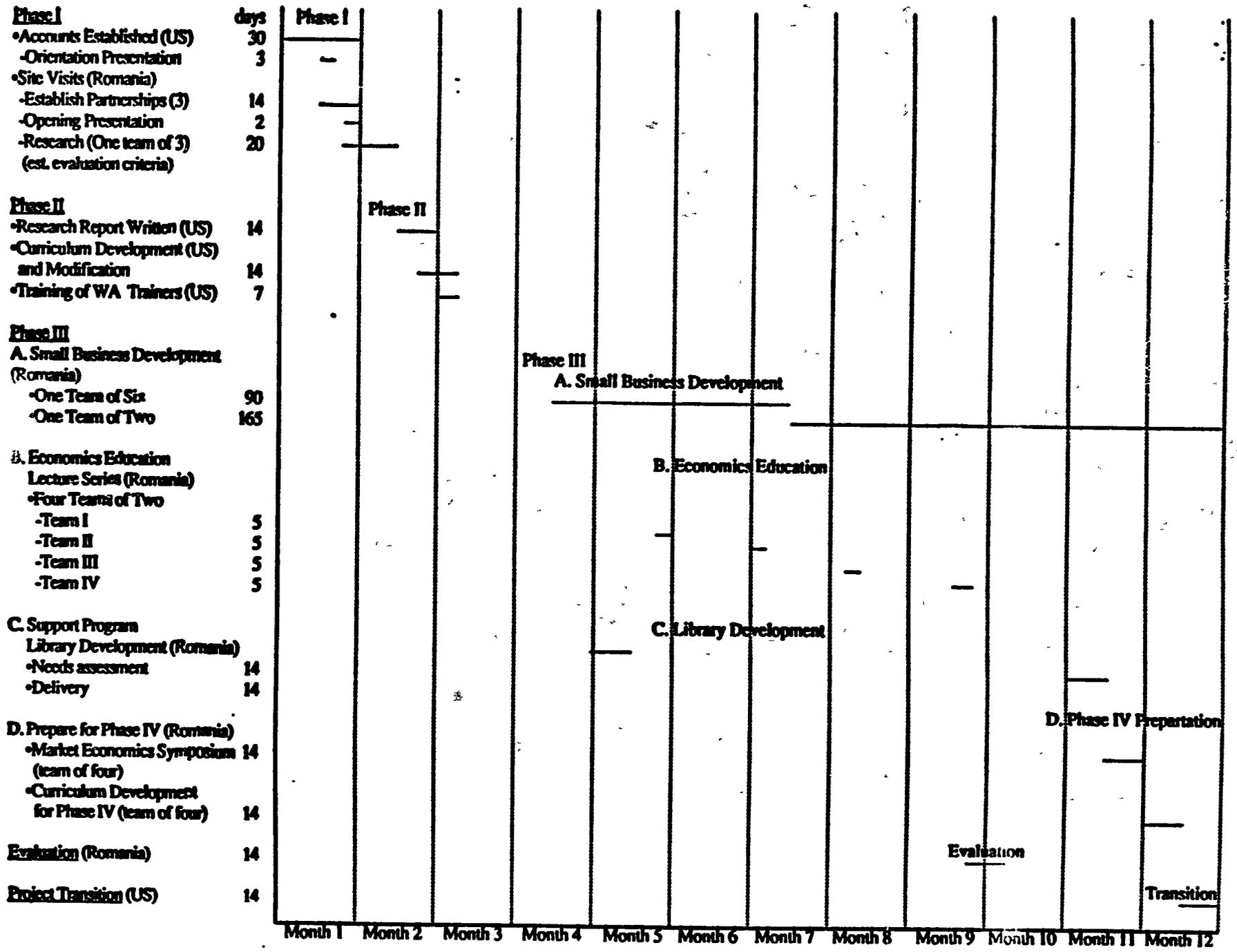
To meet the need for an annual report that objectively and substantially reviews the implementation and performance of the first year of the program, we have designed for a third party evaluation team to spend two weeks in Romania during the ninth and tenth months of the project. Their report will be included in the annual report required by US AID and that plays a key role in determining an extension for a second year. At this time we have briefly discussed this evaluation with Forrest D. Rodgers, Assistant Dean of the Graduate School of Management, Willamette University, Salem, Oregon, and will formalize such a relationship once a contract has been awarded and the initial research phase completed.

Given the newness of such business development initiatives by US AID, it is our intention to work very closely with our AID officer in Washington, DC, throughout the life of this project. It will only benefit our program and other business development grants to share our problems and successes with other business projects.

List of Acronyms

AID	Agency for International Development
ASE	Academyia De Studii Economice, Bucharest, Romania Academy of Economic Studies
CBE	College of Business and Economics, WSU
CIBER	Center for International Business Education and Research, UW
EP	Executive Programs, UW
IMPACT	International Marketing Program for Agricultural Commodities and Trade, WSU
IPDO	International Program Development Office, WSU
MTEE/CEE	Management Training and Economic Education for Central and Eastern Europe
PIB	Polytechnic Institute of Bucharest, Romania
SBD	Small Business Development
SBDC	Small Business Development Center, WSU
UW	University of Washington, Seattle, Washington
WSU	Washington State University, Pullman, Washington

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WSU AMENDED BUDGET EXPLANATION

The narrative must be changed to reflect the total of 720 person days in Romania by the counselor/trainer team.

Corrections to Technical Application:

•page 15, b) Program Goal, Purpose, Inputs and Outputs, lines 11-13.

CHANGE "A Washington State Small Business Development team of six will then travel to Romania for a ninety day period after which four will return to Washington State and two will remain for the duration of the contract."

IQ "Based on initial findings of Phase I, a Washington State Small Business Development team of four or six will then travel to Romania for a ninety day period -- months 4-6 -- after which four will return to Washington State. Two new team members will arrive and spend ninety days -- months 7-9. If Phase I findings indicate that the initial team should consist of four team members rather than six, then two team members will spend an additional ninety-days -- months 9-12 -- in Romania."

•page 17, e) Program Outputs, lines 5-6

CHANGE "...will provide weekly seminars for eight and one-half months for a total of thirty-four (34) seminars."

IQ "...will provide a total of thirty-four seminars over a six to eight and one-half period."

•page 18, f) Program Inputs, line 1

CHANGE "In the fourth month of the grant, a six member, small business development team..."

IQ "In the fourth month of the grant, a four- or six-member, small business development team..."

•page 18, f) Program Inputs, line 8

CHANGE "After an initial ninety (90) days, four members of the team will return to WSU leaving the other two in Romania for the duration of the first year."

IQ "After an initial ninety (90) days of work by a four- or six-member team, WSU will have two business development specialists in Romania during the next 90 to 180 days."

•page 20, Phase II, lines 1-2

CHANGE "Two (2) Romanian faculty/researchers will travel to the United States with the research team and spend the next thirty (30) days assisting..."

IQ "Two (2) Romanian faculty/researchers will travel to the United States with the research team and spend the next twenty-one (21) days assisting in the development of an appropriate curriculum to be used in training Romanian business development specialists during Phase III of this project and observing operations of the SBDC central office as well as rural and urban SBDC counseling offices."

•page 21, Phase III, line 1

CHANGE "A team of six (6) business development specialists..."

IQ "Based on findings of Phase I, a team of four or six business development specialists..."

•page 21, paragraph 4, lines 1-3

CHANGE "to ensure that the newly trained business counselors have access to experienced business development specialists, two (2) Washington State University business counselors will remain in Romania for an additional 165 days."

IQ "To ensure that the newly trained business counselors have access to experienced business development specialists, two (2) Washington State University business counselors will be in Romania for an additional 90 to 165 days, depending on the size of the initial training team and the needs as determined in Phase I of the project."

AID 1301
(3 87)

*PIO

AGENCY FOR INTERNATIONAL DEVELOPMENT

AGENCY FOR
INTERNATIONAL DEVELOPMENT

PROJECT IMPLEMENTATION
ORDER/TECHNICAL
SERVICES

1. Cooperating Country
Eastern Europe Regional Page 1 of Pages

2. PIO/T No
180-0029-3-1183660 3 Original or Amendment No _____

4. Project/Activity No and Title
**Management Training and Market Economics
Education Project 180-0029**

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Date Posted: 4/19/91
PFM/FM/A/PNP

5. Appropriation Symbol
72-11X1010 (184-63-180-01-69-11) 6. Budget Plan Code
QATX-91-33180-IG-12

7. Obligation Status Administrative Reservation Implementing Document 8. Project Assistance Completion Date (Mo., Day, Yr.) **12/31/1993**

9. Authorized Agent **SER/OP** 10. This PIO/T is in full conformance with PRO/AG No **180-0029** Date **12/26/1990.**

11a. Type of Action and Governing AID Handbook
 AID Contract (HB 14) AID Grant or Cooperative Agreement (HB 13) PASA/RSSA (HB 12) Other

11b. Contract/Grant/Cooperative Agreement/PASA/RSSA Reference Number (if this is an Amendment)
N/A

12. Estimated Financing (A detailed budget in support of column (2) is attached as Attachment No _____)

Maximum AID Financing Available	A Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
		-0-	1,176,137		
	B U.S.-Owned Local Currency				

13. Mission References

14A. Instructions to Authorized Agent
SER/OP is required to execute a grant with the University of Washington and Washington State University. Funding of \$1,176,137 is provided for expenditures during the first 12 months. This grant is awarded under the Request for Application (RFA) No. SPO/EE-91-002 which was issued on November 15, 1990 and closed on December 31, 1990. Depending on availability of funds and progress in the program satisfactory to A.I.D. additional annual increment of funding will be considered.

14B. Address of Voucher Paying Office
PFM/FM/CMP, Room 700, SA-2 Agency for International Development (A.I.D.)
Washington, D.C. 20523-0209

15 Clearances—Include typed name, office symbol, telephone number and date for all clearances

A. The Project Officer certifies that the specifications in the statement of work or program description are technically adequate Thomas Chapman, ENE/TR Stephen French, ENE/EUR	Phone No (202) 647-2852 Date 4/2/91	B. The statement of work or program description lies within the purview of the initiating office and approved agency programs Joseph Pastic, ENE/PD/EUR	Date 4/2/91
C. Janet Rudasill-Bey, ENE/DP/F	Date 4/3/91	D. Funds for the services requested are available	Date
E. Donald Pressley, ENE/EUR	Date 4/3/91	Rose Anderson, PFM/FM/A/PNP	

16. For the Cooperating Country The terms and conditions set forth herein are hereby agreed to
Signature _____ Date _____
Title _____

17. For the Agency for International Development
Signature [Signature] Date 4-4-91
Title **Robert Nachtrieb, Director, ENE/DP**

*See HB 3, Sup A, App C, Att B for preparation instructions Note: The completed form contains sensitive information whose unauthorized disclosure may subject an employee to disciplinary action