INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D.C. 20523

PROJECT PAPER

JORDAN: 278-0238

GRANT

JORDAN: VOCATIONAL TRAINING

BEST AVAILABLE DOCUMENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT PAPER FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE (X APPROPRIATE BOX)
[X] ORIGINAL [ ] CHANGE [ ] ADD [ ] DELETE

PP
DOCUMENT CODE 3

2. COUNTRY/REGIONAL ENTITY/GRANTEE: JORDAN

3. DOCUMENT REVISION NUMBER:

4. PROJECT NUMBER: 278-0238

5. BUREAU: A. SYMBOL: NE; B. CODE: 03

6. ESTIMATED FY OF PROJECT COMPLETION: FY 81

7. PROJECT TITLE - SHORT (STAY WITHIN BRACKETS): VOCATIONAL TRAINING

8. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
A. INITIAL MO. 7 YR. 9 B. FINAL FY 80

9. SECONDARY TECHNICAL CODES (MAXIMUM SIX CODES OF THREE POSITIONS EACH)

730	612	613			

10. ESTIMATED TOTAL COST ($000 OR EQUIVALENT, $1 = 1.926)

A. PROGRAM FINANCING	FIRST YEAR B. FX	C. L/C	D. TOTAL	ALL YEARS E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL	165	60	225	1,065	1,060	2,125
(GRANT)	(165)	(60)	(225)	(1,065)	(1,060)	(2,125)
(LOAN)	(0)	(0)	(0)	(0)	(0)	(0)
OTHER U.S. 1.						
OTHER U.S. 2.						
HOST GOVERNMENT	0	30	30	-	900	900
OTHER DONOR(S)						
TOTALS	165	90	255	1,065	1,960	3,025

11. ESTIMATED COSTS/AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION ALINA CODE	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE	FY 79 D. GRANT	E. LOAN	FY 80 F. GRANT	G. LOAN	FY 81 H. GRANT	I. LOAN	ALL YEARS J. GRANT	K. LOAN
ESF	610	610	225		1,900		0		2,125	
TOTALS										
L. ESTIMATED EXPENDITURES			0		520		1,605			

12. PROJECT PURPOSE(S) (STAY WITHIN BRACKETS) [ ] CHECK IF DIFFERENT FROM PID/PRP

The purposes of this project are to a)increase the skill level in the work force, b) increase economic opportunities of youths from lower income families, and c) increase understanding of constraints and opportunities to expand women's participation in the labor force.

13. WERE CHANGES MADE IN THE PID/PRP FACESHEET DATA NOT INCLUDED ABOVE? IF YES, ATTACH CHANGED PID AND/OR PRP FACESHEET.
[ ] YES [X] NO

15. ORIGINATING OFFICE CLEARANCE

SIGNATURE: Franz Herder

TITLE: Acting Director USAID/JORDAN

DATE SIGNED: MO. 07 DAY 25 YR. 79

16. DATE RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MO. 08 DAY 01 YR. 79

AID 1330-4 (5-75)

2

BEST AVAILABLE DOCUMENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE: A (A = ADD, C = CHANGE, D = DELETE)

PID

2. DOCUMENT CODE: 1

3. COUNTRY/ENTITY: JORDAN

4. DOCUMENT REVISION NUMBER:

5. PROJECT NUMBER (7 DIGITS): 278-0238

6. BUREAU/OFFICE: A. SYMBOL: NE; B. CODE: 03

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS): VOCATIONAL TRAINING

8. PROPOSED NEXT DOCUMENT: A. 3 (2 = PRP, 3 = PP); B. DATE: MM 01, YY 79

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION: a. INITIAL FY 79; b. FINAL FY 80

10. ESTIMATED COSTS ($000 OR EQUIVALENT, $1 = JD 0.310)

FUNDING SOURCE	AMOUNT
A. AID APPROPRIATED	825
B. OTHER U.S. 1.	
B. OTHER U.S. 2.	
C. HOST COUNTRY	450
D. OTHER DONOR(S)	
TOTAL	1,275

11. PROPOSED BUDGET AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	PRIMARY TECH. CODE D. LOAN	E. FIRST FY 79 F. GRANT	E. FIRST FY 79 G. LOAN	LIFE OF PROJECT H. GRANT	LIFE OF PROJECT I. LOAN
(1) SA	610	610		225		825	
(2)							
(3)							
(4)							
			TOTAL	225		825	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each): 730, 612, 613, 614, 740

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH): BDW, BLW

14. SECONDARY PURPOSE CODE:

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

Develop manpower capabilities, thereby increasing individual incomes, integrating more people into the labor market, and increasing productivity.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

Provide job-specific, short-term training through the Vocational Training Corporation at both apprentice and skills upgrading stages of employee development.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds) Two-three person team for one month in August 1978 to review situation, explore various project alternatives and assist in project design USAID-funded. One local hire (USAID funding or TDY AID/W funding) expert to assist USAID in drafting PP in December 1978.

18. ORIGINATING OFFICE CLEARANCE

Signature: [signature]

Title: Mission Director, USAID/Jordan

Date Signed: MM 06, DD 12, YY 78

19. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS DATE OF DISTRIBUTION: MM, DD, YY

3

TABLE OF CONTENTS

		Page
I.	SUMMARY AND RECOMMENDATIONS	1
II.	BACKGROUND AND PROJECT DESCRIPTION	3
	A. Economic Change	3
	B. Labor Force	5
	C. Vocational Training in Jordan	6
	D. Project Description	9
	E. Project Budget and Financial Plan	17
III.	PROJECT ANALYSES	19
	A. Project Priority	19
	B. Economic Feasibility	21
	C. Social Analysis	22
	D. Technical Feasibility	26
	E. Financial Analysis and Administrative Feasibility	33
IV.	IMPLEMENTATION PLANNING	38
	A. Administrative Arrangements and Implementation Plan	38
	B. Evaluation Plan	42
	C. Negotiating Status	42
	D. Conditions Precedent to Disbursement	43
	E. Suggested Covenants	44
V.	ANNEXES	
	A. PID Approval Cable, PP Approval Cable	
	B. Logical Framework	
	C. Statutory Checklist	
	D. Authorization and Request for Funds	
	E. 611 (e) Certificate	
	F. VTC 5 Year Plan	
	G. Project Description: Amman Training Center	
	H. Vocational Training in Jordan*	
	I. Vocational Education and Training in Jordan*	
	J. Initial Environmental Examination, Environmental Clearance	
	K. GOJ Project Request	
	L. Project Grant Agreement	

* Copies available at NE/TECH/HRST

VOCATIONAL TRAINING

Project Number 278-0238

PROJECT COMMITTEE

OTP - Chief, OTP, Chairman - F. Denton
PRM - Assistant Program Officer - C. Steele
CONT- Financial Analyst - W. Awad
CD - Capital Projects Implementation Officer - J. Chimento
CD - Engineer - A. Ahmad
PRM - Training Officer - N. Nasr

PROJECT REVIEW COMMITTEE

DD - Deputy Director - Vacant
PRM- Program Officer - F. Herder
CD - Chief, Capital Development - T. Pearson
CONT Controller - Ed Giza

VOCATIONAL TRAINING

Project Number 278-0238

PROJECT PAPER

I. SUMMARY AND RECOMMENDATIONS

A. GRANTEE: The Government of Jordan (GOJ)

IMPLEMENTING AGENCY: Vocational Training Corporation (VTC)

B. AMOUNT: U.S. $ 2.125 million, of which authorization of $ 225,000 is requested in FY 1979.

C. TERMS: This activity is to be grant funded from Economic Support Funds.

D. TOTAL PROJECT COST: Total project cost is estimated at U.S. $ 3,025,000. The GOJ contribution is estimated at about 30 percent of the total cost, the equivalent of U.S. $ 900,000.

E. DESCRIPTION OF PROJECT: This project addresses the immediate problem of Jordan's training capacity at the vocational level and will also provide information required for possible further technical assistance in upgrading the scope and quality of vocational training in Jordan, particularly for women. The project will be with the semi-autonomous Vocational Training Corporation (VTC).

This initial Grant will be used to partially fund the construction and equipping of the Amman Trade Training Center (TTC) and to fund technical assistance designed to assist the VTC in improving its training efficiency. These elements of the project are focused on assisting the VTC to increase its capacity to meet the excess demand both for training, from applicants, and for trainees, from industry. The life of the project is 18 months.

Looking further into the future, project funding is provided for a study of women's employment opportunities. This study, it is intended, will provide the information needed for subsequent active intervention to increase female employment opportunities.

6X

Funds are provided for development of a sister school arrangement between the VTC and an American institution. These funds will allow for the exchange of visits by VTC and Sister School staffs and will enable the VTC to request specific studies and suggestions on curricula and training policies and concepts. In addition a small amount of money is included for training both for material and for limited observational training tours for VTC staff.

F. PURPOSE: The purposes of the project are to a) increase the skill level in the work force b) increase economic opportunities of youths from lower income families and c) increase the understanding of constraints and opportunities to expand women's participation in the labor force.

G. GRANTEE CONTRIBUTION: The GOJ will cover part of the costs of the construction of the Amman Trade Training Center and will provide most of the costs of operating it during the life of this project. The employers of trainees make a modest contribution to the costs of running the center and are expected to make greater contributions in future years. In addition the GOJ will provide for the counterpart costs of the study of women's employment opportunities and will cover the costs of international travel for trainees.

H. MISSION VIEWS: The USAID/Jordan Project Committee strongly supports this project.

I. RECOMMENDATIONS: Approval of the project and authorization of a grant.

II. BACKGROUND AND PROJECT DESCRIPTION

A. ECONOMIC CHANGE

For the past several years Jordan has experienced a very rapid process of economic change, in large part due to the general economic boom in the Middle East. The Middle East's economic change is, in important ways, unlike that experienced by other developing countries in recent decades. Normally we think of economic growth as primarily proceeding, in the first instance, from capital investments and from technical improvements. But such has not been the case in the Middle East. Because the pattern of growth is different, development planning must be based on atypical priorities. This brief section sketches Jordan's development situation (as part of the Middle East) and the resulting planning priorities.

Currently, enormous per capita inflows enter the oil producing states; these inflows occur as a result of the sale of a natural resource extractable at near zero cost. The Gulf oil producers have small, generally poorly educated and wealthy populations. They are using their cash earnings to make huge investments in social, infrastructure and industrial projects.

Generally these states do not have the manpower to carry-out these investments. Jordan and Yemen with their small populations, have supplied much of the labor (and skills) required for the services sectors of the oil economies and for their large construction/development programs. Reflecting in part ready availability of excessive financial resources and in part undesirable living conditions, salaries offered in the oil producing states, for those with either manual or mental skills, are often very high. Jordan with its small population finds that perhaps one third of its male work force is employed out of country. And these workers, many of whom are professionals or technically skilled, are often employed at salaries high even by developed country standards.

As a result in a few short years (since 1975-76), Jordan has eliminated its previously high unemployment and actually become labor short. High wages in the Gulf states and increased domestic economic activity have caused rather severe wage competition in Jordan; and as a result family incomes, as well as prices, have increased sharply. Increased remittances and higher domestic incomes have contributed to large increases in domestic demand for consumption items. Individual well being has improved sharply in this process.

But rather than wealth growing from a domestic base of investments in capital plant, the growth has been, in unusually large measure, in the external sector of the economy. The important investment factor in this growth for Jordan has been prior investments in the education sector. Jordan has benefited enormously because it had trained people available for employment in the Gulf States.

Growth in domestic product has taken place albeit from a rather low base and at moderate rates. However, the domestic labor shortage and rather high wage rates resulting from Gulf State competition have, to a degree, constrained Jordan's domestic growth. On the other hand, Jordan's educational investments have been complemented by oil producer investments to create well paying jobs for Jordanians and wealth for the economy. Another problem for Jordan's growth has been the higher wages offered by the private sector which have made it difficult to retain qualified personnel for Government employment.

The consequence of this process has been to create certain economic needs and opportunities with respect to Jordan's domestic economy.

1. To help overcome the domestic labor shortage and to exploit the income opportunities of jobs not filled, there is a need to train more persons to skill levels consistent with the changing demand.

2. To reduce national dependency on external labor markets and to improve individual quality-of-life by reducing needs to emigrate to find jobs, there is a need to increase higher skill level, higher paying domestic job opportunities.

3. Jordan labor must be productive enough (skilled enough) to allow employers to pay relatively high wages to compete with Gulf state opportunities.

4. And, not least of all, given the shortage of skilled labor, an opportunity exists for upgrading the prospects of lower income youth and women by extending their skills training beyond the compulsory years of education.

These needs are unlike those of most developing countries in that:

- Wages are relatively high or, concomitantly, labor is short.

- Employment creation has not been, in large measure, dependent on domestic capital investments; in fact, domestic capital investments are somewhat limited by the availability of skilled labor.

- Return on investments in extending the educational system to higher levels is tangible and occurs almost immediately.

It is this near unique environment which leads to the priority of increasing the number of vocational trainees as rapidly as possible.

B. LABOR FORCE

A more detailed discussion of the composition of the Jordanian labor force is given in Part III. This section provides highlights necessary for understanding the project description which follows.

About a third of Jordanians who are formally employed work out of country, primarily in the Gulf states. Unemployment is almost zero; in fact Jordan imports large numbers of workers from Egypt, Pakistan and elsewhere. Perhaps one fifth of those working in-country are non-Jordanians. No accurate data exist on these imported workers.

In particular, skilled workers are in very short supply with most of the foreign labor engaged in manual and low skilled service jobs. Industrial expansion has been hampered by the difficulty of hiring skilled workers. Often times employers have hired poorly qualified workers and resorted to on-the-job training. In this environment, and given high wage competition from the Gulf states, wages have soared upward in Jordan. Problems of quality control and productivity are widespread.

The Jordan workforce is predominantly male. However, female employment out of the home has been increasing sharply, albic from a very low base. Female employment is still largely restricted to a limited range of traditional occupations, and social attitudes are not such as to encourage girls to enter industrial fields (where VTC training is focused). Relatively young age at marriage and extremely high fertility rates after marriage currently place additional constraints on female employment.

There is a clear need for more skilled manual level workers to meet both domestic and external demand (some crude numerical estimates are given in part III). Pay scales are rather good for skilled workers. Most of the nation's females are not currently employed in jobs out of the home. Cultural attitudes and high fertility rates limit the rate at which female employment patterns are likely to change.

10X

C. VOCATIONAL TRAINING IN JORDAN

Prior to the 1970s The Jordan education system offered little in the way of vocational training. Some vocational courses were offered in the public schools because the Ministry of Education (MOE) embraced the modern concept that vocational training should be part of a well-rounded educational system. One early source of vocational training was the Vocational Training Society (VTS) which was set up in 1957 with private contributions to fill the void in industry of formal upgrading programs. As the Jordanian economy began to develop and the requirements for skilled labor began to grow, however, both the public and private sectors, led by the former, began to pay attention to vocational training as an important part of the answer to the economy's need for more and better trained workers.

It was in the early 1970s that the MOE took major steps in the direction of improving and expanding vocational school programs. This was as a result of assessments made by MOE officials with the assistance of UN and World Bank experts indicating that 1) despite a condition of net unemployment, there were shortages at the skilled manual and technician levels and 2) the majority of the unemployed were products of the general academic curriculum either at the secondary or university levels. Jordan's planned for industrial expansion necessitated increasing the supply of employable skilled workers. All MOE plans and projects since 1973, including three major World Bank (IDA) assisted education projects, have stressed the need to expand the role of vocational training within the formal education system. For example, the first IDA project included as major components two comprehensive secondary schools in Amman -- one for boys and one for girls -- providing a three-year program for 2,000 students and a technical training complex at Marka, near Amman, with a two-year post-secondary institute and a two-year post-preparatory trade training center for a total of 755 students.

The bulk of the activity in the early 1970s to increase vocational training in Jordan took place within the framework of the formal education system. Later the MOE launched a program designed to further opportunities for vocational training with a project in the non-formal sphere. This project aimed at working directly with the private sector to develop in-plant training courses, both of the apprenticeship and skills upgrading variety. This was the National Vocational Training Scheme, a project originally assisted by the ILO. As part of the project, a Department of Industrial Education and Training was set

up within the MOE. Though the methodology and the extent of the Ministry's involvement were new, the Ministry, in fact, was building upon a tradition of sponsoring evening classes in industrial arts for employed workers dating back to the 1950s.

Soon it was decided a separate body was needed to handle the nonformal programs. From a long-run view, it seemed more appropriate that training of workers be conducted out of the Ministry of Labor (MOL) rather than the MOE. Thus, in late 1976, the Vocational Training Organization Law was issued which provided for what is now commonly known as the Vocational Training Corporation (VTC). The VTC has close ties to the MOL, yet exists as a semi-autonomous body. Its resources consist of funds from the general budget, monies earned from its own operations, and foreign assistance. The VTC's focus is on developing in-plant apprenticeship and upgrading programs in response to requests from the private sector.

The VTC is enjoined to provide training services for employers with specific jobs to be filled. In terms of students the VTC has as its target group 1) preparatory school leavers and 2) workers of any age or educational level already established in the labor market but in need of skills upgrading. The VTC has been in operation for about 3 years now. It is staffed with a nucleus of very experienced officers on a full-time basis and a teaching staff of 82 (see table below) persons, some of whom are part time. The VTC regular full-time staff of 35 consists of 15 university graduates, four of whom have over ten years of vocational/technical training experience; eight graduates of technical institutes, and twelve secondary school graduates who have had five to fifteen years of experience in industry and trades. University graduatesoccupy managment and training officer positions while secondary and technical institute graduates are classified as instructors. Currently the VTC indicates it is capable of hiring as many well-trained staff as it needs, primarily because it can offer salaries higher than those offered by the MOE. In its development, the VTC has offered in-service staff training programs and believes that these efforts and good staff selection result in highly competent and capable professional full-time staff. The Mission believes VTC staff capabilities generally are fully adequate for project implementation and achievement of objectives. Nonetheless, to address selective VTC capability improvements, project elements will provide inputs to continue management/staff improvements.

TABLE I

VTC TRAINING STAFF

	1977	1978	1979
VTC Direct Hire	5	27	35
Cooperating Industrial Firms	1	8	12
Part Time from MOE	14	35	35
TOTAL	20	70	82

12X

Using MOE facilities and sometimes sharing MOE staff, the VTC has in the past three years trained several hundred persons for about 20 different firms (see Table II below). The reaction of employers has been very favorable, and demand is expanding. The VTC is, thus, an operating organization providing a widely demanded product. A major short-term problem is that of the inability to meet existing demand. In the long run the VTC needs to upgrade its program and staff, but given the immediate needs of the economy for trained workers, institutional up-grading of the VTC is of second priority in terms of timing.

TABLE II

Number of VTC Trainees: In Pipeline
(As of September 1979)

	1st Yr.	2nd Yr.
Amman Electric	97	100
Jordan Petroleum Refinery	40	20
Cement Factory	40	0
Mechanical Works, Min of Pub. Works	35	25
Phosphate Company	20	0
IRBID Electric	35	20
Weaving and Textile, Zarqa	35	50
Metal Industry, Amman	30	27
Sindan Steel Construction	25	0
Other (Small Firms)	0	125
TOTAL	357	367

D. PROJECT DESCRIPTION

1. Introduction

From available information, the problems in the work force/student training area, are 1) from one view, a shortage of skilled manual and technical workers or 2) from the other view, an opportunity to train, at higher skill levels, persons to fill the excess demand.

Regarding skills training, a test is taken at the end of grade 9 to determine who will be allowed to continue in the Ministry of Education (MOE) stream; about 75 to 85% of those completing grade 9 are given an opportunity to continue MOE courses. Those students who do not qualify for further Ministry of Education training must either enter the job market immediately or continue in the private education or non-formal vocational training routes. Economics and development requirements aside, in terms of social justice, training opportunities for these persons, drop outs of the academic stream, make good sense. It is precisely in this area that the VTC has a primary charter with at least one half of its slots allocated to such students.

The supply of graduate trainees from vocational schools is short. The VTC and employers jointly select trainees from among applicants. Criteria are aptitude, physical fitness, attitude judged from interviews, and prior academic performance in the formal system. The intent is to get the best possible workers for cooperating firms. In 1978, 1300 applications were accepted, and 400 were enrolled. Only limited experience exists for the graduation rate, but the VTC expects it to be very high. (In the Jordanian job classification system, VTC graduates are formally classified as skilled workers and paid accordingly.) Thus, the bottleneck is in the training process itself. As one modification to this conclusion, a particular subset of trainees, females, are in short supply. At least a few employers are interested in hiring women in the hope that they will be more stable employees than is the case for males, and there apparently is a potential excess demand. Nonetheless, the demand for female employees is, in considerable degree, more limited than for males. The Government is, at the same time, interested in bringing more females into the labor force because of labor shortages.

Moving from this description of existing needs, it appears that to help correct the situation three primary responses are appropriate:

– Increase the capacity of VTC training centers. The capacity limitation is primarily in physical facilities, not in staff.*

– As possible, take steps to improve the training efficiency of the VTC so more trainees can be handled with existing staff and facilities.

– Examine possibilities for increasing participation of women in the labor force.

---

*Currently the VTC uses the physical facilities of the MOE. Such use limits the capacity of both VTC and the MOE.

14X

BEST AVAILABLE DOCUMENT

Figure 1 shows, in schematic, the logic in deriving the primary elements of this project. There are longer range needs for improvements in the content of training at the VTC. Generally, however, the VTC trainee is rated as well qualified on the current market. Thus, with respect to the short and medium term needs of Jordan and given the VTC's basic good competency in training, we see the immediate problem far more as one of increasing the quantity than one of needing to improve quality.

As VTC's capacity expands, there will likely be need for assistance with curriculum and a greater emphasis on upgrading training. The results of the study of women's employment are expected to lead to follow-up assistance. And, if the sister school pilot activity proves successful, further assistance along these lines will be considered.

2. VTC 5 Year Plan

Appendix F is a copy of the VTC 5 year plan. The VTC cites a 5 year demand for 25,000 trained (skilled and limited skilled) workers. This figure is a bit higher than the one we derive in Part III for the skilled only levels. But the VTC estimates appear reasonable, particularly when one considers the task of upgrading the skills of workers already employed (classified as limited skills training by the VTC).

Currently, the VTC uses the facilities of participating industrial firms for in-plant training and Ministry of Education facilities for off-the-job education and training. This sharing of facilities with the Ministry of Education severely limits the number of persons which the VTC can train and also reduces MOE's capacity. Thus a priority objective in the Five Year Plan is the construction and placing into operation of 5 training centers. One of these centers will be for women.

The Corporation plans on the following growth in the number of new trainees per year:

	1st year	5th* year
Skilled Labor	200	825
Limited Skilled Labor	50	700
Upgrading of Employed	200	750
Supervisors	40	300
Total	490	2575

* With completion of the new training centers. If the training centers are not added, the VTC's current output can not be expanded and may even be reduced as the MOE is demanding the use of its facilities.

Schematic Analysis of

Situation

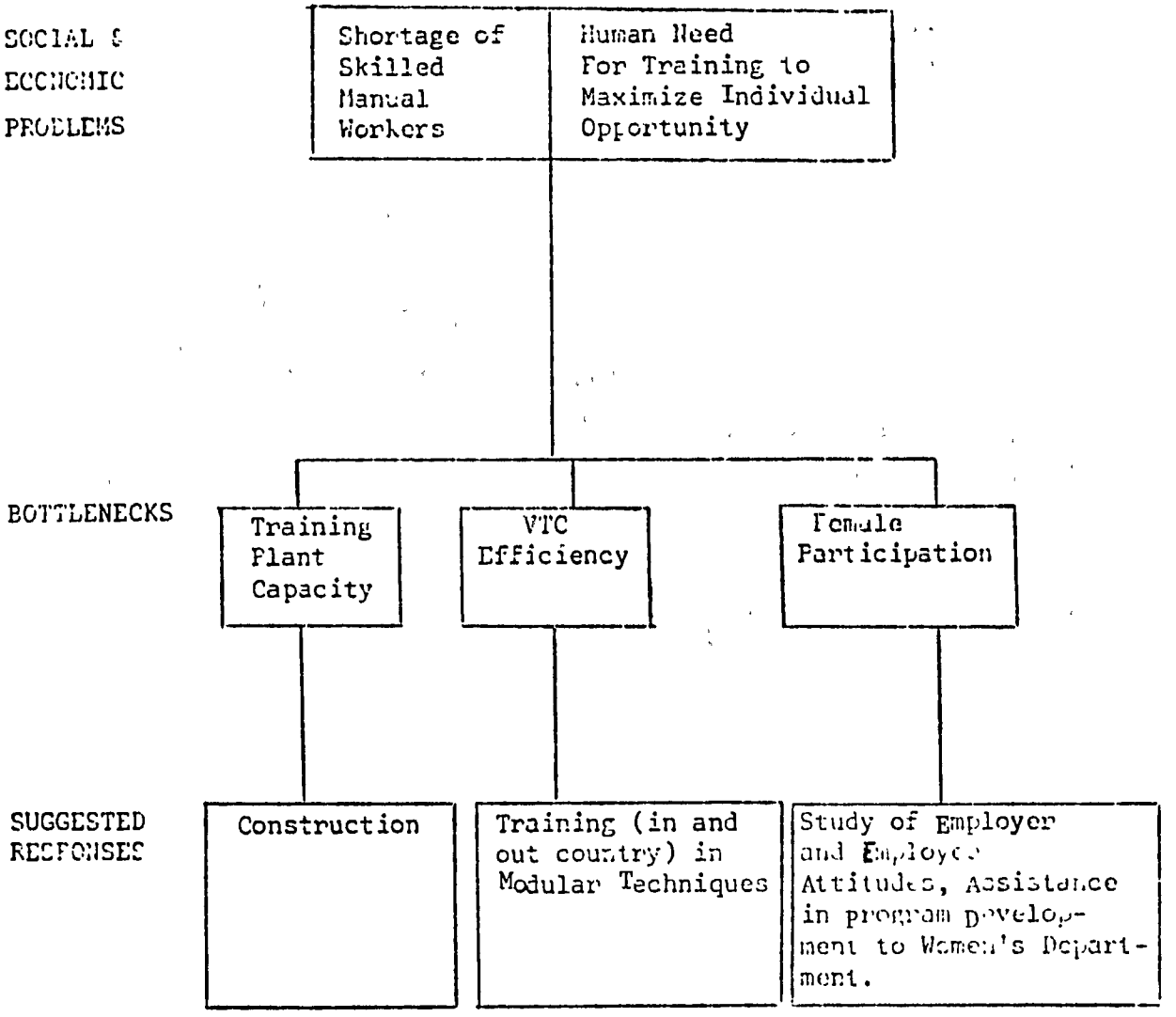


FIGURE 1

BEST AVAILABLE DOCUMENT

16

The skilled level training is an apprenticeship program involving two years on-the-job training combined with off-the-job training at VTC centers. This two year period is followed by one year supervised on-the-job work before the apprenticeship is considered complete. The limited skill level is less formalized than the apprentice program and usually involves 8 to 9 months of classroom and on-the-job training. Upgrading training is usually part time evening study by those already employed and may take 3-4 months. The VTC undertakes to train supervisors to be more skilled as supervisors of the on-the-job training element for VTC trainees.

3. Project Objectives

In terms of the industrial development of the country and in terms of the social objectives of improving the opportunities for the lower economic classes, there is a need for increased capacity for training to the skilled or semi-skilled labor level. The primary objective of this project is to help meet this need for increased capacity.

A second area of both social and economic need is that of enhancing employment opportunities for women. Because this is an area in which there is little understanding as to solutions to the problem, it is primarily an area of study rather than of action. A second objective of this project is to support a study leading to actionable findings related to enhancing female employment opportunities and to assist the Women's Department of the Ministry of Labor in completing and inaugurating an action program based on that study.

In the long run, VTC desires to strengthen its curricula to expand its role in job classification and to develop improved training techniques. A third area of the project is that of establishing a sister school relationship between the VTC and an American institution. The intent of this assistance is to provide VTC ready access to the latest training technicques and concepts and to permit the VTC staff to be exposed to new ideas.

A fourth area which has a lower time priority is that of establishing more comprehensive policies for Government assisted vocational training. A particular aspect of policy which needs to be addressed early is that of financing. A fourth objective of this project is then to provide very limited assistance to the VTC in its efforts to define its policies with respect to fees, charges and levies. This is proposed to be addressed at least in part through the sister school relationship.

Increasing and Strengthening, Capacity -- Under this project, the USAID will assist in the financing of the construction and equipping of the Amman Trade Training Center (one of the 5 centers VTC proposes to construct).

A full description of the proposed Technical Training Center (TTC) to be constructed under this project, as prepared by VTC, is included as Annex G. The following is a brief description of the proposed facility.

The Center will consist of a main structure with classrooms and administrative support offices (including a library) and two workshop buildings (including a cafeteria), all set on a 30,000 square meter site.

Five classrooms, two technical drawing rooms and seven workshops* are planned for actual teaching and training. Total capital costs of the TTC, including land, design and equipment, are estimated at $ 2,340,000 of which this project paper proposes that AID finance $ 1,910,000 (see project budget below). (Non-capital AID inputs related to capacity increase and efficiency improvement have also been set aside for technical assistance in modular training techniques and limited short-term training for staff.)

The VTC's plans for the new TTC show evidence of careful consideration of all elements of its mission based on fairly extensive experience to date. For instance, the VTC is careful to stress that the TTC will be engaged essentially in basic training which will, in general, only be preliminary to extensive on-the-job training in the actual industrial facilities. Thus, little of the TTC's equipment will be of a highly sophisticated nature, but it will rather comprise the basic tools and implements which must be mastered in order to obtain the fundamental knowledge and skills required for further training in the various fields. The site also has been very carefully chosen. The new facilities will lie in the heart of the largest industrial area in the country within the boundaries of a small town named "Yajoz" between Amman and Zarqa, where most of the population and industry of Jordan are concentrated. Because virtually all major transportation lines run between Amman and Zarqa, in addition to being immediately accessible to the adjacent industries to which it will largely cater, the new TTC should be easily accessible by students in most areas of the greater Amman region. The site of the new TTC will allow it to serve essentially the same students now served by the facilities rented by VTC in the MOE's facilities at Marka and Ashrafiya.

---

* The workshops will include the necessary equipment for basic training in the fields of automotives, plant maintenance, woodworking, electricity and climate control. The advanced training will be done on the job.

The subject areas to be taught in this facility are as follows:

— Plant Maintenance and Fabrication

— Industrial Electricity

— Climate Control Operations

— Automotives

— Woodworking

All of these fields are now offered at MOE and VTC facilities. The basic existing curriculum will be transferred to the new training center when it is completed.

The USAID provided two U.S. consultants to review the basic plan for the Center's buildings and the proposed equipment purchase. Although both consultants concluded that the basic concepts held by VTC were sound, they found a number of specific areas in which improvements could be made. The final report gives great detail in this regard which we will not attempt to repeat here. A few illustrative examples are as follows:

— Overall space plans appear suitable, but suggestions were made for some reallocation and rearrangement.

— The cost estimates were judged to be reasonable.

— The overall equipment list appears well thought out; however some suggestions were made regarding simpler machinery which would better match the training demand as well as allow for greater equipment variety.

— A number of useful suggestions on safety were made.

— Dust control, noise considerations, and shop layout were among the other areas in which specific suggestions were made.

The USAID will review the final design,and the VTC will contract for the construction of the center. USAID assistance will be on a reimbursement basis and will include provisions for construction supervision.

The VTC has adapted international standards for functional skills' levels for trainees. These have been developed in conjunction with ILO and through utilization of U.S. and United Kingdom training publications and standards, such as the U.S. Dictionary of Occupational Titles. The main deviation from ILO, U.S. and UK standards for apprentice training is that the VTC, by order of the MOE and the National Board of Education, devotes about 15 percent of trainee time to general education, with the remaining 85 percent devoted to practical skills and related technical areas. To ensure quality, the VTC uses progress recording and tests each trainee upon completion of a modular unit. For example, a trainee in electrical

wiring must complete a minimum of 27 trade specific modular units and is performance tested on each unit as he progresses through the sequence. The trainee does not progress to the next modular unit until the necessary skills in the previous module are mastered. The U.S. Dictionary of Occupational Titles, 1977 edition, published by U.S. Department of Labor, is used by VTC as the primary reference in establishing trainee functional skill levels.

The VTC has developed more than 435 trade specific modular units of training in the fields of electrical work, metal fabrication, automotive repair, building trades, mechanical plant maintenance, spinning and weaving, in addition to other more general modular units common to the training of skilled and limited skilled workers. The modular units were developed by the ILO/VTC process; they include identification of industrial training needs with potential employers; in-depth job analysis by VTC staff and technical training staff of industrial firms, actual curriculum development; and creation of training materials. The VTC has a demonstrated capability to move forward in curriculum development and to test and successfully apply their efforts. Recognition of this capability influenced the Mission decision to limit the long-term technical assistance proposed in the PP as compared to that proposed in the PID.

There is a need to further strengthen the implementation of the modular training approach. The VTC has requested an in-country training session for its staff on the applications of modular training. Particularly because of limited physical facilities, scheduling is a problem. It is proposed that advisors be provided in the area of management techniques and training program design and implementation. Two to three advisors, for a total of 20 weeks (15 in country), will be required to provide the required training sessions.

20 X

BEST AVAILABLE DOCUMENT

Finally, also related to the Center's efficiency, these above inputs will be supplemented by short-term training tours out-of-country. The US portion of a typical training tour will consist of about 15 working days and include visits to industry and vocational training programs where the systems or modular approach is being used. A visit to Morocco or to Saudi Arabia to observe the US Labor Department-assisted project for modular training will be considered (4 trips for a total of 12 weeks).

4. Women's Employment Opportunities -- It is proposed that a study be conducted in conjunction with the Women's Department of the Ministry of Labor, the VTC and a USAID funded consultant. The study will be based on face-to-face interviews with a number of potential employers and potential female employees and their families. However, the intent will not be to just develop information but to use the newly gathered information as a basis for developing an action program. The study will cover about 50 employers and 50 women and families.

   The study will require six months of consultant time with assistance from 3 part-time research assistants for the data collection and the analysis effort. The development of an actionable program will be done by a committee consisting of representatives of the Ministry of Labor, the VTC and the consultant.

5. Sister School -- VTC must continually refine its management of training in order to obtain as high a degree of efficiency as possible. It moreover must keep its staff exposed to developments in vocational training concepts and practices. The VTC has asked for assistance in developing a sister school relationship with a high quality vocational training institute in the U.S. In this way the VTC hopes to retain a continuing flow of new techniques and ideas. Funds are included to enable initiation of a sister school program. The funds will provide for exchange visits of VTC and sister school staffs (2 each way). Funds will be set aside for the VTC to use in requesting specifications and studies from the sister school.

   The VTC is committed to developing policies with respect to the financing of its operations. It is the intent that the industries receiving the trainees bear a share of the costs of the training. However, there is no decision as yet with respect as to how these costs would be levied on industry nor as to the amount of the levy. VTC plans to request assistance from the sister school on this subject, and this issue will further be subject to a covenant in the Grant Agreement.

BEST AVAILABLE DOCUMENT

Another area in which the VTC feels weak is that of vocational guidance. Although this area is not central to the project, the VTC proposes to initiate examination of vocational guidance systems with an eye to future activities.

Other subjects for possible exchange with the sister school are curriculum development, trainee follow-up and evaluation, development of job classifications, and new training techniques.

E. PROJECT BUDGET AND FINANCIAL PLAN

Total project costs are $3.025 million of which the proposed AID grant will provide $2.125 million, or 70%. Following is the project cost broken down by major elements:

Elements	AID Inputs ($)[1/]	GOJ Inputs ($)[2/]
1. AMMAN CENTER (Construction)		
a. Design and Supervision	60,000	30,000
b. Construction	1,000,000	100,000
c. Furniture, Equipment	850,000	0
d. Land & Recreation[3/]	0	300,000
	1,910,000	430,000
2. AMMAN CENTER (2 years of Operation)		
a. Wages		320,000
b. Materials		110,000
c. Maintenance		16,000
		446,000
3. MODULAR TRAINING SEMINAR		
a. Consultants (3)	70,000	
b. Local Support		5,000
	70,000	5,000

22X

BEST AVAILABLE DOCUMENT

Elements	AID Inputs ($)	GOJ Inputs ($)
4. TRAINING FOR VTC STAFF		
a. Participant Costs	8,000	
b. International Travel		7,000
	8,000	7,000
5. WOMEN'S EMPLOYMENT		
a. Expatriate Consultant (2 visits total 6 months)	70,000	-
b. Research Associates		12,000
c. Materials, Transport	5,000	
	75,000	12,000
6. SISTER SCHOOL		
a. Exchange Visits (4)	20,000	
b. Staff Time (8 months)	40,000	
c. Materials	2,000	
	62,000	
Grand Total	2,125,000	900,000

1/ It is anticipated that virtually all AID project expenditures, except those for TTC construction, will be for US goods and services. For TTC construction, AID project funds will be utilized to reimburse the GOJ for local costs.

2/ Calculated at an exchange rate of $1 = JD 0.304

3/ The VTC has already acquired the land needed for this project.

BEST AVAILABLE DOCUMENT

III. PROJECT ANALYSES

A. PROJECT PRIORITY

USAID believes that the proposed project represents a good use of resources at the present time for assisting the development of effective vocational education in Jordan. The increased numbers of VTC graduates will help supply personnel in those areas of the Jordanian economy where shortages are currently the greatest -- in the skilled labor category. Also the assistance will foster the development of that organization -- the VTC -- which has demonstrated an excellent record in responding to the needs of Jordanian industry for workers and/or Jordanian youth who are unable to, or do not want to, continue in academic studies, thus promoting both economic development and social mobility. Furthermore, the VTC has the legal and administrative flexibility needed to respond quickly to demands from industry for training.

The project's basic purpose is that of immediately increasing the physical capacity of VTC to produce trained graduates who are now needed by Jordanian employers. There is no question about either the demand or supply side of VTC's "industry." The Jordanian economy demonstrably requires VTC's graduates, and they are well received in Jordanian industry; on the other hand, VTC receives about four times as many trainee applications as it can serve. Thus, the bottleneck is clearly in the training process itself. The current situation under which VTC shares facilities with the Ministry of Education reduces the capacity and effectiveness of both institutions, for the VTC more than the MOE, since the former naturally has to take second choice with regard to scheduling.

While the project admirably serves the immediate needs of the Jordanian economy and meets AID strategy and socio-economic target group criteria, it obviously addresses only part of the needs in the area of vocational training. Policies for financing are discussed more fully in the financial analysis section below. With regard to ensuring that the benefits of training will accrue to Jordan, the fear here obviously is that many of the trainees will migrate soon after completing training, thus transferring the immediate benefits of their training to other areas. Remittances will compensate for this migration to some degree, but, as indicated earlier, remittances can never begin to compensate fully when a skilled worker leaves Jordan. This is an area which will require time and well-thought-out strategies and policies to correct.

24X

At present, Jordanian authorities simply accept the fact that as many as 30% to 40% of the graduates will migrate within the first five years of receiving their training but believe that the project is still worthwhile because of the extreme need for those trainees who do stay. Finally, this project will provide basic knowledge about opportunities for enhancing the employment opportunities for women.

B. ECONOMIC FEASIBILITY

Projects of this nature are not as susceptible to economic evaluation as are many more directly production-type projects. For the purpose of this paper we shall employ a very simplified model of benefits and costs. The benefits are, in any case, high enough with respect to costs to make it clear that this is an attractive investment.

Benefits are approximated as follows. Assume:

1. A 25 year working life for graduates (it is assumed that the advantage of early training becomes progressively less as one's career advances).

2. One third of graduates will work out-of-country for 10 years before returning.

3. For 10 years, the return on VTC training is equal to twice the difference between the average wages for a skilled worker and an unskilled worker (assuming the benefits accruing to the employer are equal to those received by the employee). From year eleven, it is assumed that the benefits are reduced to one half this value, under the assumption that many will achieve skilled worker status through on-the-job experience.

4. Benefits are discounted at 10 percent per year.

These assumptions are conservative it is believed.

For domestic workers the average wage differential between the skilled and the unskilled is about $220 per month. For out-of-country workers, this wage differential is $400 per month. 1/ Using the assumptions above, the discounted present value of benefit for training by the VTC is approximately $25,500.

The annual costs are computed as a sum of the center's annual operating costs divided by the number of students added to one tenth the capital cost of the center (assuming a ten year life for the center) per student space. The estimated cost per student for a two year course is approximately $1200 to $1500.

1/ These estimates were supplied by the Ministry of Labor.

In terms of present value at a 10 percent discount rate, the benefits per student are estimated at $25,500 and the costs at $1500 for a very high benefit cost ratio. These estimates are crude, but the result is sufficiently favorable to suggest that the project would continue to be attractive even if more refined estimates reduced the benefits or increased the costs. Thus, in terms of economic return this project appears very attractive.

C. SOCIAL ANALYSIS

1. Equity

A question which must be answered is that of whether the proposed project rates are high or low with respect to the Agency's interest in fostering maximum equity of opportunity in Jordanian society.

In order to provide at least a partial answer to this question, we must attempt to define, with sufficient precision, what we shall assume equity to mean for these purposes. The VTC program has certain noneconomic, quality of life objectives, but its predominate thrust is that of increased earnings potential. It is on these grounds that we shall judge if equity is served or not.

There are no data available for Jordan, but we shall assume that one of the most important factors in an individual's earning potential is the level of marketable skill he has to offer.

The VTC program is largely oriented toward the improvement of marketable skills of trainees. The VTC training program will take a preparatory school graduate, ready to enter the labor market, and move the trainee from the unskilled to the skilled labor category. As noted above in the section on economic return, the average wage for a skilled worker is about 100 percent above that for an unskilled worker.

For our purposes, we shall assume that equity is served if VTC students are typically, or on the average, coming from families in which the predominant wage earner is apparently from the unskilled or semi-skilled worker category. This is certainly at best only an approximation. It ignores future patterns of income distribution. The assumption is simply that equity is served if VTC training opportunities go to members of families from the lowest economic classes. To a degree, in this way, intergenerational mobility is fostered in line with general concepts of social justice.

What evidence do we have as to economic/occupational class of the families of VTC trainees? First we have deductive information. The

VTC is training for skilled manual occupations, primarily in the industrial sector. Such occupations not requiring, as a rule, secondary nor university level degrees are of lower prestige and income than jobs requiring such higher level degrees. Therefore, it is reasonable to conclude that young people with better initial advantages (higher family income and better educated parents) will not gravitate to the VTC. Thus, the VTC on deductive grounds is probably serving with highest frequency the lower income classes.

We also made a brief empiricial examination to determine if the deductive assumptions are supported. Existing VTC records for the apprenticeship program contain information on the education and income of fathers of the trainees. We selected a random sample of 100 students and summarized information on their fathers.

Father's Educational Background	Number
Illiterate	33
Elementary	39
Preparatory	16
Secondary	8
Post Secondary	4
	100

Over 70 per cent of the students' fathers had no more than elementary level schooling, with one-third illiterate. Referring to the discussion on the 1975 labor force census, we found that illiterate workers fell almost exclusively into the unskilled category. The census unfortunately only classified workers as literate or illiterate. Informed judgement is that persons with only elementary or preparatory level education would be working with high frequency as unskilled labor as well. From these data it would appear that over (perhaps considerably over) 50 percent of VTC's current students come from families headed by unskilled workers. This indicates a desirable disproportionate servicing of this class, since unskilled workers constitute only 25 to 30 percent of the total labor force.

VTC records show that over 50 percent of trainees come from families with monthly incomes of 80 JD or less.

Family Income JD/Month	Per Cent
20 - 40	7.6
41 - 60	23.1
61 - 80	22.1
81 - 100	23.1
More than 100	24.1

28X

INCOME CLASS OF VTC TRAINEES

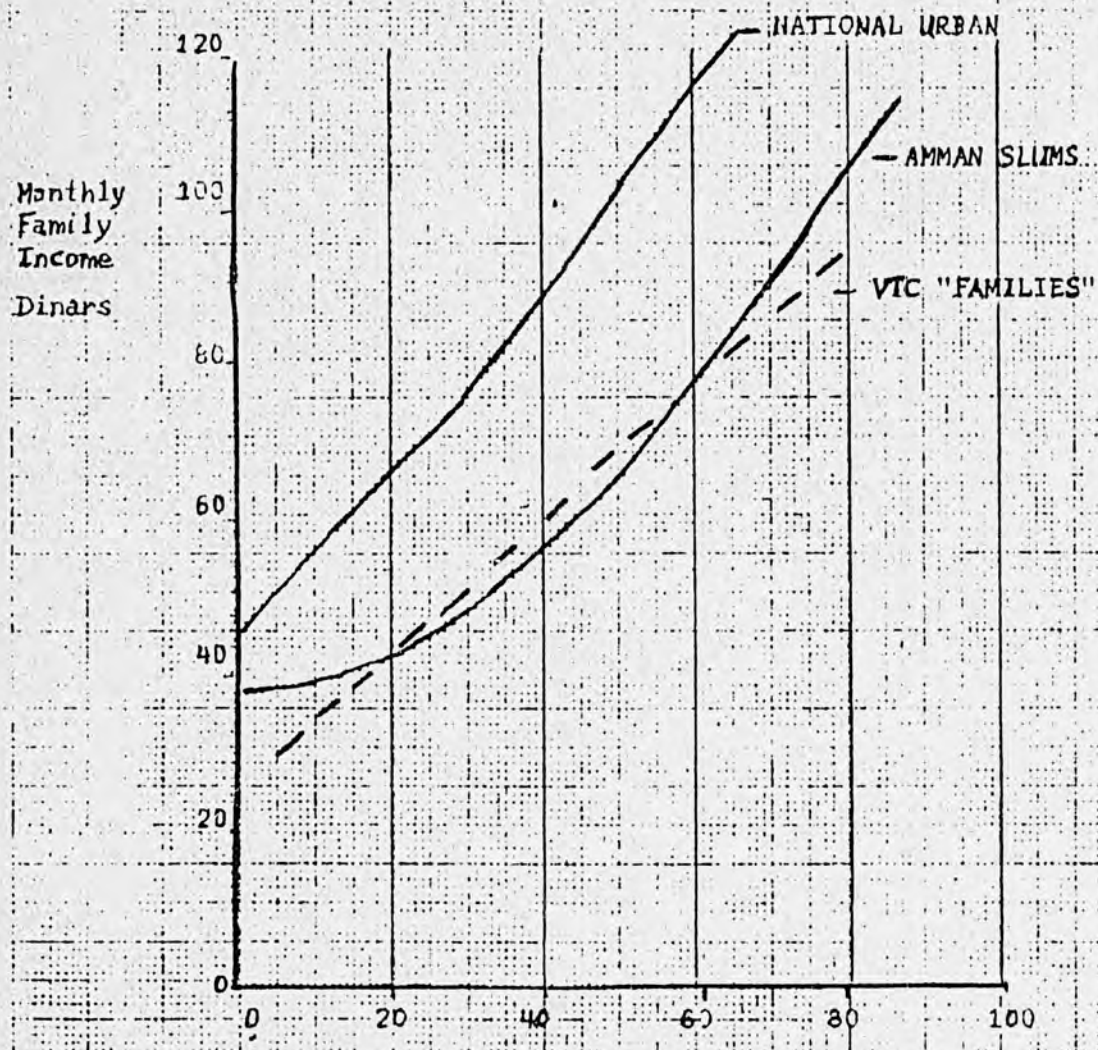


Figure 2

Ministry of Labor figures indicate that average monthly income for unskilled workers is about JD 70 and for skilled workers approximately JD 140. The Household Survey shows an average of 1.4 workers per family; so these individual averages from the Ministry of Labor must be proportionately increased to give family income. Income data are notoriously unreliable, but these data do suggest that about 70 percent of students come from families with incomes in the range of those received by unskilled workers.

From another source we have 1979 estimates of family income in the urban areas. These data are for two separate categories: 1) National urban and 2) Amman slums. Figure 2 shows the distribution of family income from these data. Overlaid as a dashed line are the family income estimates provided by VTC trainees. The distribution of income from the trainees' survey is virtually identical to that found in the Amman slums area.

A clear pattern emerges. The VTC is predominately responding to the needs of youth from the lower income, education and employment categories. Thus, as an institution, we would judge that the VTC appears to perform a role contributing to social justice and equity.

2. Women's Opportunities

The VTC plans on starting five training centers, geographically dispersed, and devoted to training in different fields. One of these five centers is to be devoted primarily to the training of women. On the VTC priority list, the women's center is number three or four. Consideration had been given to a higher priority, but the VTC is fearful that it could neither get female students nor industrial requests for female trainees.

The studies [1/] made by the two consultants (both women) hired to assist in developing this project, as well as the information available to the Mission staff, suggest that there are major hurdles to be cleared in expanding the employment opportunities for females, particularly in industrial jobs. Women and their families apparently consider it demeaning for females to work in "factories." Potential employers are to a degree attracted by the idea of employing women because of their assumed lesser job mobility (less likely to emigrate). But employers are also cautious and imbued with society's attitudes regarding "appropriate" employment for women.

1/ These studies are attached as annexes H and I

Pushing for change without a considerable understanding of the constraints, of the degree of emotionalism, of the varying attitudes of the parties can result in backlash. At this time most of the informed participants in Jordan are not confident as to what approach can be taken to effectively broaden female employment opportunities.

The USAID believes that under these circumstances it would be useful to acquire additional information before deciding on a more specific VTC policy with respect to providing training for women. The objective of the information gathering would be to develop ideas as to how to employ the training center for women.
Specifically we propose a survey and analysis of the attitudes of employers, parents and women with respect to:

a. employment,
b. fields of employment,
c. training by the VTC, and
d. work and study in a co-ed environment

The survey and analysis will be done by a joint U.S. and Jordanian team. Approximately 50 respondents in each category will be interviewed. The report will be reviewed and recommendations prepared by a team from the Ministry of Labor and the VTC.

D. TECHNICAL FEASIBILITY

The VTC and the Ministry of Education are currently providing vocational training along the lines proposed under this project. This training is highly respected by Jordanian employers and by employers in the Gulf States. All four consultants who have worked on project preparation, concluded that the VTC is doing a good job of training. All confirmed that Jordan employers value the training programs and systems of trainee supervision and follow-up developed by the VTC. In the short span of three years, the VTC has made training contracts with (or is in the process of contracting with) major Jordanian firms in the fields of electricity, petroleum refining, cement, steel, phosphates, textiles, communications, among others. These firms reported to the USAID and to consultants that VTC trainees became productive workers within the first six months of their normal apprenticeship training period. We have no reports of significant complaints as to the quality of their work. This fact, coupled with consultants' judgments concerning the quality of training, has resulted in conclusion by USAID and VTC that at this stage in its development, quality is not a major issue and that proposed levels of technical assistance as outlined in the PP are sufficient to address required institutional improvements. The feasibility of quality training has thus been established.

With respect to the question of adequate demand to support the proposed expansion, in training capacity the following information on the labor force, including female participation, is offered. The demand is clearly great enough to justify the expanded capacity.

1. Overall Labor Participation

Jordan's labor force can be put into two categories: 1) in country and 2) out-of-country. Far better data (those data are still rather weak) exist on the in-country labor force and we shall treat that portion of the labor force first.

The labor force participation rate is put at just over 19% of the population--a very low figure. The rate is low because 1) Jordan has a very young population with a high dependancy ratio, 2) a

relatively large percentage of the population is in school, 3) female participation in the labor force is low and 4) out-of-country workers are not counted as part of the "labor force" in the official statistics. Actually among working age (20-60) males, the labor force participation rate is, as would be expected, about 93 to 94%.

The total labor force is estimated at approximately 425,000 persons, given a population estimate of about 2,200,000 persons. Thus, for the age group 20 to 60 years about $\frac{435,000}{764,000}$, or 56%, are in the labor force.

2. Female Labor Participation

Female participation in the labor force is low because of the very high birth rate (completed family size averaging about 7 children per women) and because of cultural attitudes toward girls working out of home. It is difficult to be sure which of these two factors is the more important. Female labor force participation rate, from the latest available data (1976), is relatively high (almost 30%) for ages 20-24 and remains comparatively high at about 20% for ages 25-29. For ages 30 and above, participation falls very sharply to under 10%.

Age	Female Workers as a % of Male Workers
15 - 19	12.2
20 - 24	28.2
25 - 29	18.8
30 - 34	8.8
35 - 39	4.5
40 - 44	3.8
45	2.0

There are alternative plausible explanations for the low demonstrated female employment participation. It is known that female labor force participation rates have at least trebled during the 1970's to perhaps as high as 11 or 12% in 1979. Most female employment now takes place between the ages of 20 and 29. Moreover, given age at marriage and existing fertility rates, as well as education, female labor participation rate appears fairly high.

1972

Age	% Ever Married Women	Average Parity Ever Married Women
15 - 19	31	0.8
20 - 24	73	2.4
25 - 29	93	4.4
30 - 34	96	6.1
35	98	7.9

32X

For example, in the age bracket 20 - 24, over 70% of women are married with an average of 2-4 children (virtually all of whom would be pre-school age). It is doubtful that many of these married women could work away from home even if they wished to do so. In this age group, the percent labor force participation by women is just about equal to the percent of women in the age bracket who are unmarried. It is important to note that as long as fertility and marriage patterns remain as they are, it may be that significantly increased female labor force participation will be very difficult to achieve.

Another factor contributing to the low participation rates is that female employment outside of the home is a quite recent phenomenon in Jordan. It seems likely that younger women are more "modern" in their attitudes toward work. And since it is somewhat difficult to enter the labor force for the first time at an older age, some of the women who were over 30 in 1976 might not have been working because of the society's more restrictive attitudes toward women in their own youth. Thus, it may be that many of the younger women now employed will remain in the labor force as they grow older.

3. Market for VTC Graduates

The total labor force numbers perhaps 425,000 persons. However, in terms of this project with the Vocational Training Corporation, the demand for graduates is generated from only a portion of the labor market. That is, the VTC is not supplying trained personnel for the civil service, for the armed forces, in large measure for the agricultural sector and so forth. Unfortunately, there is no authoritative data on the composition of the labor force. Below we have reconstructed, from two separate sources, labor force composition estimates. These estimates exclude those working in agriculture, the armed forces and police and civil servants. The estimates from the two sources are rather similar which is satisfying but not conclusive. They also account for most of the 425,000 estimated labor force participants. We shall assume that for our crude planning purposes the estimates are probably of sufficient accuracy.

The data from the two sources are reasonably similar with the two exceptions of 1) construction and 2) public administration and services. In each case the household survey should probably be more accurate since the labor force census probably would undercount casual workers or workers employed other than through formal firms. There are two important fields -- one, the casual manual construction worker and the other, domestic workers -- with a greater likelihood of independent casual workers in which the census of firms would be most questionable. We shall rely on household survey data as much as possible.

Sector	1975 Labor Force Census [1/]	Data Source: Household Survey as Interpreted by World Bank [2/]
Mining & Quarrying	2,950	4,000
Manufacturing	21,500	26,600
Electricity, Gas & Water	2,300	1,500
Construction *	9,300	47,000
Commerce	27,700	31,400
Transport, Communication	15,300	21,000
Finance	3,150	3,100
Public Administration and Services **	58,500	83,300

* The World Bank noted that the Department of Statistics typically undercounts the construction area and a household survey should produce better results on casual laborers than a census based on business firms. The 47,000 is perhaps a closer estimate.

** The household surveys count household help, gardeners, personal drivers etc. who probably would be poorly counted in a census of firms.

When judging the role or function of VTC, it is worthwhile to look at some further characteristics of the labor force. Based on the census in this case, we obtain the following information on the size of firms for which the labor force works:

Percentages of Workers Employed by the Firms

Number of Employees Per Firm	Manufacturing	Construction [3/]	Transport	Commerce
1 - 4	38	75	57	81
5 - 9	12	1	7	8
10 - 24	13	2	5	6
25 - 99	13	6	6	4
100 Over	24	16	25	1

1/ The numbers of employed shown in the 1975 Census are increased by 10% to obtain 1979 estimates.

2/ The total labor force is estimated by multiplying a population estimate of 2,250,000 by the labor force participation rate of 0.191. The 1974 World Bank economic report provides estimates of percent of labor force in various sectors. These percentages are assumed to hold with minor modifications (agriculture down and construction up) for 1979.

3/ If the assumption on undercounting of casual workers in the labor force census is correct then an even greater percentage of construction workers could be expected to be in 1-4 employees category.

34X

The major share (over 65%) of workers in these fields are self-employed and run a one person operation. About 75% are employed in firms with fewer than 10 employees.

Again relying on the labor census, we have the following percentage breakdown for occupational categories. By the same logic of undercounting used above, it seems possible that the category of unskilled laborers is undercounted (referring back to the table comparing the two sources, it would be easy to conclude that the number of unskilled workers should be noticeably higher). 1/

Occupation	% of Labor Force	% Literate
Science & Math	2.1	100
University Graduates	8.9	100
Technicians	15.2	100
(Teachers)	(11.0)	
(Nurses, Midwives)	(0.6)	
Skilled Clerical	22.2	100
(Working Proprietor)	(10.9)	
(Secretary, Receptionists)	(1.2)	
Skilled Manual	25.8	95
(Tailor, Dressmaker)	(4.2)	
(Mechanics, Auto)	(2.2)	
Unskilled Manual	25.8	62
(Guards, Cleaners, etc.,)	(7.6)	
(Drivers)	(7.5)	

The VTC's focus is on the skilled manual category which from the above data constitutes perhaps 30,000 positions in 1979. This is a very crude estimate. Moreover, a large number of these workers are in very small, even one person firms. There is some question as to whether these self employed workers are real candidates for VTC training.

The female portion of the labor force was concentrated in a very limited range of occupations.

Occupation	% of Female Labor Force in that Occupation
Teaching	40
Dressmaking & Related Work	17
Office, Clerical	10
Charwomen	9
Nurses	4
Hairdressers	1
Others	19

1/ However, many of these unskilled casual jobs are held by foreigners, and the census does not appear to count foreign laborers.

Two fields (teaching and dressmaking) accounted for almost 60% of female employment in 1975. There probably has been some broadening in this pattern since 1975, but there are no data available. Most persons suggest that, both by the choice of the women and of employers, there is a tendency to restrict female employment to these traditional fields.

4. Out-of-Country Workers

Data are even less precise and extensive on the out-of-country work force. Estimates vary as to the number of workers, their fields and their locations. What can be said with certainty is

a. The remittances sent back by these workers constitutes an extremely important part of Jordan's national income.

b. The number of workers abroad is large enough to, and in skill categories such that they, cause significant labor shortages within Jordan.

c. Wage competition with the Gulf States has driven up wages in Jordan to a significant degree.

d. Clearly a major fraction of newly graduated trainees can be expected to work out-of-country.

Estimates as to numbers of workers out-of-country are difficult to make both because there are no authoritative data and because existing data contain definitional problems. First, addressing the definitional problem, some West Bankers and other Palestinians carry Jordanian passports, but they do not remit to the East Bank Jordan proper nor constitute East Bank Jordanian "residents." Thus, for our purposes, it seems best not to consider such persons as part of the current Jordan workforce.

A recent estimate of Jordanians working abroad is 300,000 persons. If all of these were East Bankers, we would have almost as many workers abroad as at home. Without going into space consuming details, if existing population and domestic labor force estimates for the East Bank are even approximately correct, it is not possible to have this many workers abroad. Informal estimates suggest that perhaps half of the 300,000 Jordanian passport holders working out-of-country are not East Bank residents. Population survey data suggest an absence of perhaps 100,000 working age males from the East Bank population. For our planning purposes we will use a figure of 130,000 Jordanians working abroad.

From a Kuwait Government source, we have the following distribution of Jordanian workers in Kuwait broken down by occupational class.

Jordan Workers in Kuwait

Occupational Class	% of Workers *
Science and Math	6.5
University (Arts Degree)	2.8
Technicians	17.7
Skilled Clerical	26.0
Skilled Manual	27.8
Unskilled	21.2

* Original table adds to 102%. Total Jordanian workers in Kuwait from these data = 38,935.

Perhaps somewhat surprisingly, the distribution of workers by occupational class is very similar to that found in the Jordan domestic labor force. At the upper three occupational levels for the domestic labor force, we find 26.2 percent of workers; for Jordanians in Kuwait, it is 26.4 percent (correcting for the 102% total). At the upper levels, we do find significantly more scientific and technically trained persons working out-of-country. For the lower three ocupational groups, we find roughly the same proportions as in Jordan with the difference being a modest bias toward a greater frequency of skilled workers for those employed out-of-country.

5. Summation

These data leave much to be desired. But, to make the best estimate possible, there appear to be about 30,000 skilled manual jobs available now in Jordan (this number is increasing annually but apparently not at a very high rate). Currently (if the Kuwait data are representative), perhaps another 35,000 Jordanians work at skilled manual jobs abroad.

We have no direct way of correlating firm size with occupational category, but perhaps one third (perhaps more) of the skilled workers in the domestic job market are self employed. In summary, it appears that the domestic job market, which is the main target of VTC training, is composed of perhaps 15,000 to 20,000 positions. Abroad, in the Gulf area, there are another 35,000 positions (within the general occupational categories addressed by the VTC) now held by Jordanians and at least twice that number held by other nationalities.

By all accounts, today the demand for workers strains the supply. If a 5 percent turnover is assumed and a 1.5 percent annual growth in positions is similarly assumed, then annually there would be a requirement for about 1,100 new skilled manual workers domestically for firms of 2 or more employees, (assuming a 10 percent annual turnover would increase that number to just over 2,000 per year).

Some 2,500 to 6,000 skilled workers' jobs will have to be filled abroad each year. In addition, the market for up-grading training for workers already employed is probably quite large for at least several years because recent labor shortages have resulted in the hiring of many underqualified workers. It would thus appear that de and is such as to exceed the planned training capacity of the VTC through its 5 year plan.

The demand for female workers and the demand for vocational training by females is considerably more uncertain. From the data in the 1975 census, women participated in small numbers, in a very limited range of occupations, and in a limited age span. Before proceeding with programs to increase female employment opportunities, it is suggested that a better understanding of the cultural factors underlying existing constraints should be achieved. At this time, available knowledge is not felt to be good enough to enable development of programs which have a high likelihood of success.

E. FINANCIAL ANALYSIS AND ADMINISTRATIVE FEASIBILITY

The VTC is a new organization just established about three years ago. The senior staff of the corporation are persons with from 10 to 15 years' experience in the very good quality Ministry of Education vocational training program. The transfer of these persons to the VTC allowed the corporation to become operational almost immediately, and it has already successfully undertaken training for over 20 different Jordanian firms. The Government has shown a willingness to provide, at least until further studies are made, appropriated funds to cover the VTC operating needs. Thus, the basic financial and administrative feasibility is established. This section provides additional material supporting this conclusion. The studies done by the two consultants employed in project development also support the conclusion. The consultants' reports are attached as annexes H and I.

1. Financial Analysis

At the present time, the VTC is dependent on the Government for

the bulk of its financing, and this situation undoubtedly will prevail for at least the next few years. As to the magnitude of these costs, following are three tables presenting the VTC's estimates (in 1978 amounts and in accordance with its proposed five-year plan) for (i) total operating expenses for the Corporation over the five years, 1978-82, (ii) operating costs for the first TTC for the first two years after opening, and (iii) capital cost budget for the proposed five-year plan. A condition precedent for this AID project will require satisfactory assurances that the Government will provide sufficient additional financing to complete the TTC to be financed and constructed under the project and to operate the VTC (and the TTC) until such time as VTC long range financing plans have been studied and adopted.

Table 1 shows the recurrent expenditures required for the VTC given its 5 year plan. Until such time as a policy is established with respect to training levies on participating firms, the major share of these expenditures will have to be covered by revenue from

the Government. The amounts shown even in the 5th year are only 0.04% the overall Government 1979 expenditures and 0.9% of those in the education sector. Thus, the Government can clearly afford these levels of expenditures. Table 2 shows the costs of operating the Amman Trade Training Center.

TABLE 1

VOCATIONAL TRAINING CORPORATION

Recurrent Expenditure

ITEM	DESCRIPTION	BUDGET ALLOCATIONS X 1000 JD				
		1978	1979	1980	1981	1982
1	Wages and Salaries	27.5	63	80	120	160
2	Transport and Travel	0.8	3	5	5	8
3	Rent	2.3	.7	10	10	10
4	General Expenditure (office requirements, electicity, water, furniture, etc.)	8.5	19.8	20	15	15
5	Training Costs (materials and supplies)	36	40	60	80	100
	TOTAL	75.1	132.8	175	230	293

TABLE 2

VOCATIONAL TRAINING CORPORATION

Trade Training Center/Amman

Running Costs

ITEM	DESCRIPTION	COSTS X 1000 JD		Total
		1st year	2nd year	
1	Wages and Salaries	35	62	97
2	Raw Materials and Teaching Aids	13	20	33
3	Maintenance & Services	2	3	5
	TOTAL	50	85	135

40 X

We have shown estimates of the capital expenditures required to construct the five planned training centers in Table 3. USAID proposes to assist in the construction of one center.

TABLE 3

VOCATIONAL TRAINING CORPORATION

Capital Expenditure

ITEM	DESCRIPTION	BUDGET ALLOCATIONS x 1000 JD				
		1978	1979	1980	1981	1992
1	Machinery and Equipment	5	33	100	400	400
2	Land and Construction of Training Centers	-	92	900	300	200
	TOTAL	5	125	1000	700	600

The EEC has expressed interest in providing equipment for two centers, and it is possible that Russian assistance will be given for one or two centers. Since the total capital expenditures represent only about 0.2% of the Government planned investments during this time period, there should be little problem in allocating the required funds.

Thus, USAID/J believes there are clearly the financial resources available to cover the VTC's requirements. Given the high returns from training flowing both to industry and to the trainees, it might become public policy to recover most, if not all, of the training costs from these beneficiaries (although for reasons of social mobility, it might be desirable to limit the proportion of the costs recovered from the trainees). There are a number of possibilities for such recovery. One would be some sort of general training levy on industries, as is practiced in parts of Europe. Another would be a program to provide student loans to be repaid during the first years of employment. The VTC is very much aware of the need to consider ways of reducing its dependence on public monies for its operations and wants to pursue solutions to the problem actively and intensely.

2. Administrative Analysis

The same situation which leads to labor shortages in the economic sector has also impacted on the public bureaucracy. Jordan has had a bureaucracy that is distinctly superior by developing country standards. The bureaucracy is, however, very thin in part because of staff leaving for higher paying jobs in the Gulf States. Nonetheless, many Government agencies are quite competent by developing country standards. There may be as well some limited trend of experienced personnel returning from several years of work in Gulf State organizations.

In terms of this above average bureaucracy, clearly the education sector is the best staffed. Probably as a result of the long urban history of much of the population and the lack of natural resources, including farm land, from the time of independence Jordan has placed great emphasis on educating and training its people. As a consequence Jordan now has by regional standards an extremely strong educational system.

The system graduates a good product, highly valued in the region. Consistent with the priority given to the sector, the planning and management capacity of the Ministry of Education is very solid. Illustrative of this capability, for the most recent World Bank education project, the Ministry was authorized to do its own project appraisal. What has become apparent with the recent increased demand for trained people is the necessity to expand the educational coverage particularly at the post preparatory level (currently preparatory level -- through grade 9 -- is approaching universality). With Jordan's above average bureaucracy and with the education sector being particularly strong, implementation of this project should present few problems. The Vocational Training Corporation, established in 1976 and staffed with a nucleus of highly experienced former Ministry personnel, has a very solid planning and management capacity. The senior staff members of the corporation are persons with from 10 to 15 years' experience in the very good quality Ministry of Education vocational training program. The transfer of these persons to the VTC allowed the Corporation to become operational almost immediately and provided it with a very solid planning and management capacity. Proof of this capacity is found in the fact that the VTC has already very successfully provided trained personnel for about 20 different Jordanian firms.

The VTC is "semi-autonomous" since in the words of the Law the VTC is "attached to" the Ministry of Labor and enjoys "nominal administrative and financial autonomy." The VTC is administratively autonomous in that it has its own Board of Directors and Director General. The Board consists of the Minister of Labor, the VTC Director General and permanent representatives from the MOL, the MOE, the Ministry of Public Works, the NPC, the Engineers Association, the Amman Chamber of Industry, and the General Federation of Trade Unions. Because of its autonomous nature, the VTC can pay salaries attractive enough to get good staff.

The Mission is confident that the VTC will be able to administer the project effectively, particularly considering (a) the professionalism of VTC's core staff, (b) the increasing number of qualified graduates now available and (c) its semi-autonomous status which allows it inter alia to maintain flexibility in its administration and to offer compensation which is competitive with other opportunities open to staff members with the required skills.

There are nonetheless areas in which the VTC needs strengthening. A vocational training specialist brought to Jordan by USAID in early 1979 to observe and report on the vocational training scene in Jordan has listed several areas where VTC efforts can be strengthened (see pp. 19 and 20 of Annex H). The VTC itself recognizes the need to strengthen its management capabilities, particularly in regard to its ability to employ effectively the modular instruction method of training. A limited technical assistance program to respond to these needs as perceived by VTC has been included in this project at the Corporation's request.

IV. IMPLEMENTATION PLANNING

A. ADMINISTRATIVE ARRANGEMENTS AND IMPLEMENTATION PLAN

1. Project Implementation Responsibility

Prime responsibility for all phases of project implementation will reside with the Vocational Training Corporation. Per standard practice, the AID grant will be signed for the Government of Jordan by the National Planning Council, but to insure transfer of resources and responsibility to the VTC, conditions precedent to grant disbursements will include an acceptable regrant arrangement from the NPC to the VTC

and assurances that VTC will have full responsibility and authority to implement the project. Within USAID the Assistant General Development officer will operate as Project Manager. An engineer from our CD office will monitor the construction element of the project.

2. Project Implementation

a. Implementation and Procurement Arrangements

(1) The VTC has already drawn up the scope of work, including design criteria, for final detailed design of the TTC and has prepared a full equipment list for the center. This work was reviewed by TDY experts in vocational training in August 1979, financed as a project pre-implementation action under the Technical Services and Feasibility Studies Grant.

(2) The contract for the final design work will be awarded to a local A & E consulting firm in accordance with standard procedures of the Government of Jordan; the construction contract will similarly be awarded to a local construction firm. All dollar procurement for goods and services will be done in accordance with the procedures set forth in AID Handbook 11.

(3) By November 30, 1979, the VTC will prepare, for USAID's concurrence, scopes of work for assistance in conducting a seminar on modular training techniques and for the sister school arrangement. Both activities will involve host country contracts. AID/W assistance will be requested in obtaining a listing of qualified and interested firms and in issuing an RFP and receiving bids.

(4) We anticipate that participant training will be done through the sister school.

(5) By January 15, 1980, a scope of work will be prepared for the services of a consultant to assist in the survey of women's employment opportunities. The consultant will be supplied through a PSC with the USAID and AID/W assistance will be requested in locating suitable candidates and in negotiating a contract.

Figure 3 shows the project implementation schedule. The critical element is completion of construction of the TTC, the other implementation elements being largely routine. We see no unusual administrative problems.

b. Project Financing

Financing Arrangements

All local elements will be financed by VTC from its own resources under standard Government procedures. AID project financing of local costs of designing and constructing the TTC will be by direct reimbursement to VTC for the design services after completion and approval of the design and by a modified Fixed Amount Reimbursement (FAR) procedure for the actual building construction. (The FAR procedures will be similar to those outlined in Implementation Letter No. 1 for the School Construction Loan—No. 278-K-016). Dollar procurement of goods and services will be financed by letters of commitment opened under the AID grant.

4HX

VOCATIONAL TRAINING IMPLEMENTATION PLAN

MONTH	SISTER SCHOOL	EQUIPMENT	AMMAN TRADE TRAINING CENTER	MODULAR TRAINING AND PLANNING CONSULTANTS	WOMEN'S SURVEY
-3		PREPARE LIST			
-2		REVIEW LIST	REVIEW DESIGN CRITERIA		
-1	PREPARE SCOPE				
0	ISSUE RFP	FINAL SPECIFICATIONS ISSUE IFB	SELECT A&E FIRM	PREPARE SCOPE	PREPARE SCOPE
1			COMPLETE DESIGN VTC/AID REVIEW ISSUE IFB	ISSUE RFP	PSC ADVISOR ARRIVES
2	AWARD CONTRACT	AWARD CONTRACT		AWARD CONTRACT	SURVEY STARTS
3			AWARD CONTRACT START CONSTRUCTION		ADVISOR LEAVES
4	IMPLEMENTATION		PHASE 1	ADVISORS ARRIVE	SURVEY COMPLETE TRANSLATED
5					
6					
7					
8					
9					
10			PHASE 2	ADVISORS LEAVE	ADVISOR RETURNS
11		EQUIPMENT ARRIVES			
12					REPORT COMPLETE ADVISOR LEAVES
13			PHASE 3		
14					
15					
16					
17			PHASE 4		
18					
19					
20					

Phase 1 - Notice to Proceed
Phase 2 - Framing, Floor, Roof
Phase 3 - Plaster & Tile
Phase 4 - Final Acceptance

In addition to its senior staff, the VTC brought from the Ministry an existing curriculum. The actual curriculum now in joint use by the MOE and VTC is a modified version of the ILO "modules of employable skill" (MES) method. Like other approaches to skill training, this method organizes instruction around the functions, tasks, and skills that make up a particular job. What is unique about the MES is the minute precision with which the job is analyzed, the detailed curricula drawn up for each discrete task, and the flexibility allowed the trainee who may in the first place proceed at his own pace, and secondly, leave the course after learning a single skill only to reenter later to master other modules within his trade. This highly sophisticated system is not yet fully operative due to the newness of the VTC's instructional staff and the lack of a "training materials production unit." However, the modified version now in force is applied alike to both MOE and VTC training programs. The ILO expert currently in Jordan is assigned to advise and assist both agencies.

Flexibility is a key feature of current VTC operations. Its contracts are varied to meet the specialized requirements of particular firms or agencies. Currently, the VTC is exploring an area new to its operations, pre-service training in secretarial skills, the result of recent talks held with the Department of Women's Affairs in the Ministry of Labor.

Included in all contracts on apprenticeship training are the numbers of apprentices to be recruited by the VTC, the wages the employer must pay the trainee,* and the length of the training period. All would-be apprentices are interviewed by the employer before acceptance into the program. In most contracts, neither the apprentice nor employer is obliged to continue the relationship though the recent JEPCO stipulation may indicate a new trend here. In its about two years of full-scale operations (since appointment of a Director in May 1977), the VTC has concluded 18 contracts for apprenticeship programs involving a total of 600 trainees. Another 600 to 700 representing 20 different firms benefit from upgrading programs.

The VTC program is discussed at greater length in the appended report by Mary Ann Cusack. USAID/J believes that an existing administrative base is clearly present which is of sufficient size and quality to allow for the necessary growth to implement this project.

AID GRANT DISBURSEMENT SCHEDULE

ITEM	DISBURSEMENTS BY FY ($000's)		
	FY80	FY81	TOTALS
Foreign Exchange	360	705	1,065
Local Currency (Reimbursement)	160	900	1,060
Totals	520	1,605	2,125

*Currently, Jordanian firms employing VTC trainees pay the full cost of a training officer, which the VTC requires that the firm provide, and pay the trainee's salary. The total annual cost per trainee to employer during training is approximately $1000 or about equal to the VTC's contribution. In the future, the VTC intends to institute some form of training levy on firms to offset training costs; but wishes to more thoroughly study the problem before deciding on the levy system.

46 X

B. EVALUATION PLAN

The primary purposes of evaluation will be 1) to determine if capacity targets have been met and 2) to assess the quality of the training being provided. A joint VTC and USAID evaluation will take place 15 months after project initiation. The evaluation will, through interviews with trainees and employers, determine how well VTC training has contributed to on-the-job performance. Twenty four months after project initiation an evaluation will determine:

— The number of trainees enrolled in a) the apprenticeship program, b) limited skills training, and c) evening upgrading classes.

— The number and qualifications of training staff.

— The adequacy of the administration and management of the VTC.

— The adequacy of GOJ budgetary allocations.

In addition, the evaluations will examine:

— The VTC's perception of the benefits received from the modular training seminar.

— The VTC's and the sister school's perceptions of the benefits received from the sister school relationship and the extent to which the VTC has, with sister school assistance, progressed in a) developing a workable training levy scheme; b) instituting a more effective trainee counseling program; and c) establishing a continuing and meaningful mechanism for conducting trainee follow-up studies as a means for obtaining feedback on the quality of training. This evaluation will provide the basis for determining if further funding of the sister school relationship is justified.

— The suitability of VTC training to employers' needs and the employers' assessment of the quality of VTC graduates.

— The improved earnings potential of graduates as a result of the training.

— The socioeconomic class of trainees to verify that the VTC trainees are from the target group.

The evaluations will be done with in-house personnel and will specifically document the satisfaction of the "objectively verifiable indicators" set forth in the Logical Framework (Annex B of this PP).

C. NEGOTIATING STATUS

The VTC staff and appropriate government officials have been fully briefed on the content of the Project Paper; and, in particular, all of the general and special proposed conditions precedent and covenants have been discussed with them. The Project Committee believes that no difficulties will be encountered in negotiating the grant agreement for this project.

D. CONDITIONS PRECEDENT TO DISBURSEMENT

1. First Disbursement - Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

a. An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;

b. A statement of the name of the person holding or acting in the office of the Grantee specified in the Grant Agreement, and of any additional representatives, together with a specimen signature of each person specified in such statement;

c. An executed and delivered agreement by which the funds granted under this Agreement are made available as a grant to the VTC for the Project and that the VTC is given full responsibility and authority to implement the Project.

2. Additional Disbursements -- Construction

Prior to disbursement under the Grant for construction services or to issuance by A.I.D. of documentation pursuant to which disbursement will be made for construction services, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

a. A construction package, including but not limited to design, technical specifications, bill of quantities, an executed construction supervision contract and an executed construction services contract;

b. Evidence that financing will be available to complete the construction of the TTC.

3. Additional Disbursements -- Technical Assistance and Training

Prior to disbursement under the Grant for technical assistance and training, or to the issuance by A.I.D. of documentation pursuant to which such disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

a. An implementation plan which will include, but not be limited to, an organizational and staffing plan, and which will identify VTC counterparts to U.S. consultants and VTC staff members to receive training;

b. Evidence that financing will be available to operate the TTC and VTC, including a proposed budget showing the source and amount of funds to be provided for personnel and operation of the TTC and VTC.

48X

E. SUGGESTED COVENANTS

1. The Grantee will ensure that the VTC will provide the staffing and operating costs for the TTC and will, at the TTC, annually offer training to at least 300 persons at the skilled and semi-skilled levels and to at least another 300 persons for the upgrading of skills.

2. The Grantee will ensure that the VTC, in conjunction with the women's department of the Ministry of Education, will develop a draft program for training women by December, 1980.

3. The Grantee will ensure that the VTC will prepare, by February 1981, a long-range financial plan for reducing its dependency on government appropriations.

4. The Grantee will ensure that the contract for the construction of the TTC will be let using competitive bidding procedures.

ANNEXES

273-0238

UNCLASSIFIED

Department of State

OUTGOING TELEGRAM

6393

PAGE 01 STATE 244300
ORIGIN AID-25

INFO OCT-00 /025 R

ANNEX A

DRAFTED BY NE/TECH/HRST: M LUKOMSKI: FJH
APPROVED BY DAA/NE: A WHITE
NE/TECH: K MACMANUS (DRAFT)
NE/PD R BELL (DRAFT)
NE/JLS: R WITHERELL (DRAFT)
NE/PD S CHERNENKOFF (DRAFT)
NE/TECH/HRST: B WILDER
NE/PD: R FEDEL (DRAFT)

----------018611 180249Z /34

P 172236Z SEP 79
FM SECSTATE WASHDC
TO AMEMBASSY AMMAN PRIORITY

UNCLAS STATE 244300

AIDAC

E.O. 12065: N/A

TAGS:

SUBJECT: NEAC REVIEW OF JORDAN VOCATIONAL TRAINING PROJECT (278-0238)

REFS: (A) AMMAN 05696, (B) STATE 233507, (C) AMMAN 05407

1. THE PROJECT PAPER (PP) FOR THE JORDAN VOCATIONAL TRAINING PROJECT WAS REVIEWED FOR THE SECOND TIME BY THE NEAR EAST ADVISORY COMMITTEE (NEAC) ON SEPTEMBER 13, 1979. THIS TIME THE NEAC APPROVED THE SUBJECT PROJECT FOR FY-1979 AND FY-1980 FUNDING AS REQUESTED. A CONGRESSIONAL NOTIFICATION UAS SUBMITTED ON SEPTEMBER 14 WHICH WILL PERMIT AUTHORIZATION ON SEPTEMBER 29.

2. THE NEAC ACCEPTED ADDITIONAL INFORMATION PROVIDED BY MISSION (REF A, PARAS 3 AND 4) AS ADEQUATE SUPPORT FOR PREMISES OF GOOD QUALITY VTC GRADUATES AND STRONGER VTC CAPABILITIES. THUS, THE PROJECT STRATEGY PROPOSED IN THE PP WAS ALSO ACCEPTED

3. ALTHOUGH NEAC APPROVED PROJECT, AA/NE WILL NOT AUTHORIZE IT UNTIL PP IS SUBSTANTIALLY REVISED/STRENGTHENED BECAUSE OF SEVERE TIME CONSTRAINTS, AID/W IS PROCEEDING WITH PP MODIFICATION HOWEVER, TO INSURE THAT FINALIZED PP CLEARLY REFLECTS MISSION INTENT AND TO PROVIDE A DEFINITIVE STATEMENT OF PROJECT OBJECTIVES AND STRATEGY WHICH AID/W WILL USE TO RESOLVE INCONSISTANCIES IN PRESENT PP, NEAC REQUESTS THAT MISSION CABLE A COMPLETE PROJECT LOG FRAME WHICH IS CONSISTENT WITH GUIDELINES ESTABLISHED IN AID HANDBOOK 3, CHAPTER 3, APPENDIX 3-E. GIVEN INTIMATE RELATIONSHIP OF LOG FRAME TO EVALUATION PLAN, NEAC ALSO REQUESTS THAT MISSION CABLE REVISED EVALUATION PLAN WHICH REFLECTS CHANGES MADE IN LOG FRAME.

4. TO MEET SEPTEMBER 29 DEADLINE FOR AUTHORIZATION, NEAC REQUESTS MISSION CABLE REQUESTED INFORMATION (PARA 3, ABOVE) BY COB SEPTEMBER 21. IN VIEW OF TIME CONSTRAINTS, AGREEMENT MUST BE EXECUTED SEPTEMBER 30. VANCE

51A

ORIGIN AID-28

INFO OCT-01 /021 R

DRAFTED BY NE/TECH/NRST:TMCDONOUGH:RK
APPROVED BY AA/NE:JCWHEELER
NE/JLS/J RWITHERELL (DRAFT)
GC/NE JMILLER (DRAFT)
NE/DP BLANGMAIDPSELLAR (DRAFT)
NE/TECH PMACMANUS (DRAFT)
NE/PD STAUSENBLATT (DRAFT)
NE/PD DRANDEL (INFO)
NE/TECH DPCNASIK (INFO)
DAA/NE ADWHITE
DESIRED DISTRIBUTION
IG ACTION NE CHRON 1 3 8 INFO GCNE GC GCFLD OA 20P
----------052876 1002322 /12

R 181759Z AUG 78
FM SECSTATE WASHDC
TO AMEMBASSY AMMAN

UNCLAS STATE 218235

AIDAC

E.O 11652: N/A

TAGS

SUBJECT: VOCATIONAL TRAINING PROJECT 278-0238, PID

1. THE NEAR EAST ADVISORY COMMITTEE (NEAC) REVIEWED AND APPROVED VOCATIONAL TRAINING PID AUGUST 18. NEAC DISCUSSION OF PROJECT PRODUCED NUMBER OF COMMENTS AND SUGGESTIONS FOR MISSION CONSIDERATION CONCERNING PROJECT DEVELOPMENT. THEY ARE:

A. PROJECT DESIGN SCHEDULE
PID PROPOSES BASIC PROJECT DESIGN TO BE ACCOMPLISHED BY FOUR WEEK, TWO PERSON TEAM. AFTER THIS PROJECT FRAMEWORK ESTABLISHED, THREE ADDITIONAL SURVEYS CONCERNING TRAINING REQUIREMENTS, WOMEN WORKERS AND DEMAND AND SUPPLY OF LABOR ARE CONTEMPLATED. NEAC CONSIDERS FINDINGS OF THE THREE LATER SURVEYS LIKELY TO BE OF MAJOR IMPORTANCE TO BASIC PROJECT DESIGN AND, THEREFORE, SHOULD BE AVAILABLE FOR DESIGN TEAM CONSIDERATION. NEAC SUGGESTS MISSION RECONSIDER PID PROPOSED PROJECT DESIGN SCHEDULE TO ENSURE ALL PERTINENT PROJECT RELATED DATA AVAILABLE WHEN MOST CRITICALLY NEEDED.

B. PROJECT DESIGN SCOPE OF WORK
NEAC PROPOSES THE FOLLOWING SCOPE OF WORK BE CONSIDERED FOR BASIC PROJECT DESIGN TEAM.

(A) ASSESS THE INSTITUTIONAL CAPABILITY OF THE VTC CONSIDERING SUCH FACTORS AS.

STAFF, NUMBERS, SOURCE AND TRAINING
STUDENT NUMBERS AND SOURCE
CURRICULUM EFFECTIVENESS
FUNDING SOURCES AND MAGNITUDE
ORGANIZATION AND ADMINISTRATIVE STRUCTURE
RECURRENT COSTS
EQUIPMENT REQUIREMENTS
CAPITAL REQUIREMENTS
OPTIMUM SIZE
RELATIONSHIP TO PUBLIC AND PRIVATE SECTORS

(B) CONSIDER ALTERNATIVES TO IMPLEMENTING A VOCATIONAL TRAINING PROJECT THROUGH THE VOCATIONAL TRAINING CORPORATION AND MAKE A RECOMMENDATION THAT THE PROJECT BE CENTERED AT THE VTC, ANOTHER INSTITUTION OR A MIX OF INSTITUTIONS.

(C) FORMULATE MEASURABLE PROJECT OUTPUTS REQUIRED TO MEET A RECOMMENDED END OF PROJECT STATUS KEEPING IN MIND THE NEED TO BALANCE TRAINING AND INSTITUTIONAL DEVELOPMENT.

(D) MATCH SUFFICIENT PROJECT INPUTS WITH EXPECTED OUTPUTS AND ESTIMATE PROBABLE LIFE OF PROJECT TIME SPAN.

(E) DETERMINE THE INTEREST OF PRIVATE INDUSTRY IN USING THE SERVICES OF THE VOCATIONAL TRAINING CORPORATION AND IDENTIFY AREAS OF TRAINING.

(F) ASSESS GOJ'S POLICY CONCERNING JORDAN'S DRAIN OF SKILLED LABOR TO OTHER COUNTRIES.

(G) DETERMINE THE FEASIBILITY OF SKILLS TRAINING FOR WOMEN AS A SUBSTANTIVE FACTOR IN PROJECT DESIGN. THIS WOULD INCLUDE IDENTIFICATION OF SPECIFIC AREAS FOR TRAINING, VERIFICATION OF INDUSTRIAL DEMAND AND OF WILLINGNESS OF WOMEN TO PARTICIPATE IN SUCH TRAINING AND THE OVERALL IMPACT THE PROJECT WILL HAVE ON WOMEN PARTICULARLY IN THE RURAL AREAS.

(H) ASSESS GOJ'S INTENDED COMMITMENT INCLUDING FINANCIAL, TO THE PROJECT.
(I) IDENTIFY TARGET GROUPS FOR TRAINING AND DEVELOP A SCOPE OF WORK FOR A SOCIO-ECONOMIC BENEFICIARY ANALYSIS.

C. POOR MAJORITY
MISSION SHOULD DETERMINE AND SPECIFY FOR INCLUSION IN PP HOW PROJECT WILL BENEFIT POOR MAJORITY. FOR EXAMPLE, WHAT ACCESS TO VTC DOES POOR HAVE, WHAT IS MONETARY COST TO INDIVIDUAL ATTENDING VTC, AND WHAT DOES OR CAN VTC DO FOR INDIVIDUAL WHO DOES NOT HAVE JOB OR JOB PROSPECTS BECAUSE OF LIMITED SKILLS?
D. PERMANENCY OF VTC
ALSO FOR PP DEVELOPMENT, AN ASSESSMENT IS NEEDED OF THE FUTURE OF VTC OPERATIONS. SPECIFICALLY WHAT MECHANISMS DOES PROJECT ESTABLISH FOR VTC TO HAVE CONTINUOUS DEVELOPMENT AND IMPROVEMENT, E.G., ADJUSTMENTS TO CHANGES IN THE JOB MARKET AFTER LIFE OF PROJECT?

2. THE PROJECT SHOULD BE BUDGETED FOR FULL LIFE-OF-PROJECT FUNDING IN FY 78.

3. MISSION COMMENTS WELCOME. REQUEST RESPONSE REGARDING RELATIONSHIP AND TIMING OF SURVEYS AND TEAM, ASSISTANCE NEEDED IN DRAWING SCOPES OF WORK AND RECRUITING FOR SURVEYS, SUGGESTED SCOPE OF WORK FOR TEAM, BASIC DESIGN TEAM COMPOSITION AND TIMING OF THIS TASK AND OTHER PID/T INFO SO THAT AID/W MAY PROCEED WITH STEPS TO FIELD TEAM IN TIMELY MANNER. VANCE

BEST AVAILABLE DOCUMENT

Annex B

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

AID 1020-28 (1-79)

INSTRUCTION: THIS IS AN OPTIONAL FORM WHICH CAN BE USED AS AN AID TO ORGANIZING DATA FOR THE PAR REPORT. IT NEED NOT BE RETAINED OR SUBMITTED.

Project Title & Number: Vocational Training 278-0238

Life of Project: From FY 1979 to FY 1980
Total U.S. Funding $2,125,000
Date Prepared: August 1979

PAGE 1

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program or Sector Goal. The broader objective to which this project contributes: (A-1)	Measures of Goal Achievement. (A-2)	(A 3)	Assumptions for achieving goal targets (A-4)
1. Increased domestic product. 2. Increased productivity of labor force. 3. Increased economic opportunities for lower income groups.	1. Increased in domestic product. 2. Not measurable. 3. Numbers of trainees from lower income groups.	1. National economic reports and surveys. 2. VTC follow-up studies of quality of training in terms of productivity. Reports from employers' economic surveys. 3. Analysis of VTC trainee applications and study of socio-economic profile. (Project is not large enough to be a significant, separately measurable increase item)	1. An increase in the number of persons trained at the skilled labor level will increase domestic product and labor force productivity. 2. Well trained skilled labor will increase productivity. 3. VTC selects students from lower income groups and training will improve their expected levels of life time earnings.

BEST AVAILABLE DOCUMENT

234

AID 1020-24 (1-78)

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 1979 to FY 1980
Total U.S. Funding $2,125,000
Date Prepared: August 1979

Project Title & Number: VOCATIONAL TRAINING 278-0238

PAGE 2

NARRATIVE SUMMARY Project Purpose: (B-1)	OBJECTIVELY VERIFIABLE INDICATORS Conditions that will indicate purpose has been achieved: End-of Project status. (B 2)	MEANS OF VERIFICATION (B-3)	IMPORTANT ASSUMPTIONS Assumptions for achieving purpose (B 4)
1. Increase the skill level in the work force. 2. Increase the economic opportunities of youths from lower income families. 3. Increase understanding of constraints and opportunities to expand women's participation in the labor force	1.(A) Graduates are employed in the fields for which they have been trained and are performing at a higher level. (B) Graduates are receiving skilled level wages. (C) Employers judge VTC graduates based on their performance as skilled workers. 2. VTC trainees are from the lower income groups in a disproportionate ratio (2 to 1). 3. Draft women's action program, and survey findings and recommendations are accepted by GOJ and being put into action. 4. Training facility is fully operational.	1. VTC reports. Interviews with employers and workers. Post-training survey. 2. Data on economic class of trainees' families (provided at time of enrollment). 3. VTC reports. Labor force participation statistics. Observation of activities to bring more women into labor force. 4. VTC reports and USAID observations.	1. VTC training will produce trainees with sufficient dexterity and knowledge to qualify as skilled workers. 2. Skilled labor level training will enhance economic opportunity for youth from lower income families.

AID 1330-20 (11-78)
SUPPLEMENT 1

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: VOCATIONAL TRAINING 278-0238

Life of Project
From FY 1979 to FY 1980
Total U.S. Funding $2,125,000
Date Prepared: August 1979

NARRATIVE SUMMARY Project Outputs (C-1)	OBJECTIVELY VERIFIABLE INDICATORS Magnitude of Outputs (C-2)	MEANS OF VERIFICATION (C-3)	IMPORTANT ASSUMPTIONS Assumptions for achieving outputs (C-4)
1. Amman Trade Training Center providing increased training capacity.	1. Construction completed.	1. Observation.	1. and 2. Labor situation will allow construction and equipping of facility.
2. Commodities delivered and installed.	2. As provided in procurement lists.	2. Observation.	3. VTC will provide training staff and curriculum.
3. Increase in number of skilled labor graduates.	3. 300 per year trained at each of skilled and upgrading levels at Amman TTC.	3. VTC records.	4. Combination of salary incentives and training will allow VTC to hire and keep qualified distructors.
4. Staffed facility.	4. 60 qualified staff and administrators employed by Amman TTC.	4. VTC employment records.	5. and 6. Advisory assistance will improve VTC capabilities and quality of training provided.
5. Improved VTC planning/management capability.	5. Not quantifiable.	5. Not applicable.	7. Training provided will be useful to VTC operations.
6. Improved and expanded modular training program in VTC.	6. Increase in numbers and quality of modular training units.	6. Examine training units. Comparative evaluation of quality.	8. The women's program draft will lead to subsequent actions to implement all or part of the program.
7. Key staff members trained.	7. Trained staffers return to work.	7. Observation. VTC report.	9. Technical assistance input will result in development of better guidance approach.
8. Draft program for improving women's employment opportunities.	8. Existence of program cleared by VTC, Dept of Women and USAID.	8. Report.	10. GOJ will adopt a training levy program.
9. Approved plan for strengthening VTC's vocational guidance program.	9. Plan approved by VTC board.	9. Actions of board.	11. This is useful for curricula improvements and assessing quality of programs.
10. Report on alternative training levy approaches with pros and cons and recommendations for Jordan.	10. Report.	10. Report.	
11. Preparation of recommendations for a trainee follow-up program for the VTC.	11. Report.	11. Report of recommendations.	

BEST AVAILABLE DOCUMENT

AID 1020-20 (5-79)
SUPPLEMENT 1

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: VOCATIONAL TRAINING 278-0238

Life of Project:
From FY 1979 to FY 1980
Total U S Funding $2,125,000
Date Prepared August 1979

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Inputs: (D-1) (Dols. 000)	Implementation Target (Type and Quantity) (D 2)	(D-3)	Assumptions for providing inputs: (D 4)
1. TTC Construction (A.I.D. 1,060; GOJ 430) A. Design and Supervision (A.I.D. 60; GOJ 30) B. Site Development (GOJ 300) C. Construction (A.I.D. 1,000; GOJ 100) 2. Commodities (equipment, furniture, materials) (A.I.D. 850) 3. TTC Budget (2 yrs) (GOJ 446) A. Staff slaries (GOJ 320) B. Materials (GOJ 110) C. Maintenance (GOJ 16) 4. Sister school (A.I.D. 62) A. Exchange visits (A.I.D. 20) B. Tech. Services (A.I.D. 40) C. Materials (A.I.D. 2) 5. Modular training seminar (A.I.D. 70) 6. Participant training (A.I.D. 8; GOJ 7) 7. Study of women's employment (A.I.D. 75; GOJ 12) A. Consultant services (A.I.D. 70) B. Research Assistants (GOJ 12) C. Materials/Travel (A.I.D. 5) TOTALS (A.I.D. 2,125; GOJ 900)	1. Construction including 5 classrooms, 2 technical drawing rooms, seven workshops to increase TTC capacity to 600 trainees each year. 2. Equipping of TTC. 3. Operation of Amman TTC upon completion of construction. 4. 4 exchange visits - 8 months of technical services to VTC. 5. Two to three consultants (20 weeks of services) to assist with seminar. 6. Four short term observations/study tours, out-of country. 7. Six person months of consultant services to assist with research study on increasing women's participation in labor force. Prepare report. Assist VTC/MOL prepare action program for training of women in TTC.	1. On site inspection. Executed vouchers. 2. On site inspections. 3. VTC budget for Amman TTC. 4. Host country contract. Executed vouchers. 5. Executed vouchers and documentation. 6. PIO/Ps. Related documentation. 7. PIO/T and related documentation, reports, draft action program.	1,2,3. Available funding will be forthcoming in a timely manner from both USAID/GOJ sources. 4&5. Advisory assistance will increase VTC efficiency and capabilities. 6. Qualified trainees will be available. 7. Qualified consultant available and GOJ interest remains high.

BEST AVAILABLE DOCUMENT

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable generally to projects with FAA funds and project criteria applicable to individual fund sources: Development Assistance (with a subcategory for criteria applicable only to loans); and Economic Support Fund.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 79 App. Act Unnumbered; FAA Sec. 653(b); Sec. 634A.

   (a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than $1 million over that figure)?

   The Congress will be notified in accord with Agency procedures.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of $100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

   Section 611 (a) plans and the cost estimate appear in the Project Paper.

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

   None required

4. FAA Sec. 611(b); FY 79 App. Act Sec. 101. If for water or water-related land resource construction, has project met the standards and criteria as per the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973?

   Not applicable

BEST AVAILABLE DOCUMENT

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed $1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?	Yes
6. FAA Sec. 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.	The project is not presently susceptible of execution as part of a regional or multilateral project.
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.	The project will foster private initiative and improve the technical efficiency of industry, agriculture and commerce by strengthening and expanding the capacity of Vocational Training Corporation and thereby facilitating additional training in skills needed to improve Jordan's labor market.
8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).	Technical assistance will be furnished by a US. consultant.

BEST AVAILABLE DOCUMENT

9. FAA Sec. 612(b); Sec. 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

No. not applicable

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes

12. FY 79 App. Act Sec. 608. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

Not applicable

B. FUNDING CRITERIA FOR PROJECT

1. Project Criteria Solely for Economic Support Fund

a. FAA Sec. 531(a). Will this assistance support promote economic or political stability? To the extent possible, does it reflect the policy directions of Section 102?

b. FAA Sec. 533. Will assistance under this chapter be used for military, or paramilitary activities?

This project will promote economic stability by increasing the skills of persons in or entering the Jordanian labor market. To the extent possible the project reflects the policy directions of Sec. 102.

54X

STATUTORY CRITERIA

STANDARD ITEM CHECKLIST

Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of goods and services financed?	Services' procurement will be from universities on a pre-qualification basis. Educational institutions are thought to be best qualified to perform the work.
2. FAA Sec 604(a). Will all commodity procurement financed be from the U.S. except as otherwise determined by the President or under delegation from him.	All goods and services will have their source and origin in the U.S. or Jordan, except as AID may otherwise agree in writing.
3. FAA Sec. 604(d). If the cooperating country discriminates against U.S. marine insurance companies, will agreement require that marine insurance be placed in the U.S. on commodities financed.	Yes.
4. FAA Sec. 604(e). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity?	Not applicable.
5. FAA Sec 608(a). Will U.S. Government excess personal property be utilized wherever practicable in liew of the procurement of new items?	Yes.
6. FAA Sec. 603 - MMA Sec 901(b). Compliance with requirement that at least 50 percentum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S.-flag commercial vessels to the extent that such vessels are available at fair and reasonable rates.	Appropriate provision will be made.
7. FAA Sec 621. If technical assistance is financed, will such assistance be furnished to the fullest extent practicable as goods and professional and other services from private enterprise on a contract basis. If the facilities of other Federal agencies will be utilized, are they	Yes

BEST AVAILABLE DOCUMENT

particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?	Not applicable.
8. International Air Transport. Fair Competitive Practices Act, 1974.	
If air transportation of persons or perporty is financed on grant basis, will provision be made that U.S. flag carriers will be utilized to the extent such services is available.	Yes.
9. FY 79 App. Act Sec. 105. Does the contract for procurement contain a provision authorizing the termination of such contract for the convenience of the United States.	Appropriate provisions will be included in all contracts for procurement and or agreements for reimbursement with the GOJ.
Construction	
1. FAA Sec. 601(d). If a capital (e.g., construction) project, are engineering and professional services of U.S. firms and their affiliates to be used to the maximum extent consistent with the national interest?	Capital construction element of project to be undertaken on a Fixed Amount Reimbursement basis.
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable.	The GOJ will let the construction contracts on a competitive basis.
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed $100 million?	No construction of a productive enterprise will occur.
Other Restrictions	
1. FAA Sec. 201(d). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter?	This is a grant.
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and adminstered by an international organization, does Comptroller General have audit rights.	Not applicable.

61X

3. FAA Sec. 620(h). Do arrangements preclude promoting or assisting the foreign aid projects or activities of Communist-Bloc countries, contrary to the best interest of the U.S.? Yes.

4. FAA Sec. 636(i). Is financing not permitted to be used, wihtout waiver, for purchase, long-term lease, or exchange of motor vehicle manufactured outside the U.S. or quaranty of such transaction? Yes.

5. Will arrangements preclude use of financing:

a. FAA Sec. 104(f). to pay for performance of abortions or to motivate or coerce persons to practice abortions, to pay for performance of involuntary sterilization, or to coerce or provide financial incentive to any person to undergo sterilization? Yes.

b. FAA Sec. 620(g). to compensate owners for expropriate nationalized property? Yes.

c. FAA Sec. 660. to finance police training or other law enforcement assistance, except for narcotics programs? Yes.

d. FAA Sec. 662. for CIA activities? Yes.

e. FY 79 App. Act Sec. 104. to pay pensions, etc. for military personnel? Yes.

f. App. Sec. 106. to pay U.N. assessments? Yes.

g. FY 79 App. Act Sec. 107. to carry out provisions of FAA Sections 209(d) and 251(h)? (transfer to multilateral organization for lending?) Yes.

h. FY 79 App. Act Sec. 112. To finance the export of nuclear equipment, fuel, or technology or to train foreign nations in nuclear fields? Yes.

BEST AVAILABLE DOCUMENT

i. FY App. Act Sec. 601. To be used for publicity or propaganda purposes within U.S. not authorized by Congress? Yes

BEST AVAILABLE DOCUMENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS PART I

1. TRANSACTION CODE: A (A = ADD, C = CHANGE, D = DELETE)

PAF

2. DOCUMENT CODE: 5

3. COUNTRY/ENTITY: JORDAN

4. DOCUMENT REVISION NUMBER:

5. PROJECT NUMBER (7 digits): 278-0238

6. BUREAU/OFFICE: A. SYMBOL: NE; B. CODE: 03

7. PROJECT TITLE (Maximum 40 characters): Vocational Training ANNEX D

8. PROJECT APPROVAL DECISION — ACTION TAKEN: A = APPROVED, D = DISAPPROVED, DL = DEAUTHORIZED

9. EST. PERIOD OF IMPLEMENTATION: YRS. 01 QTRS 2

10. APPROVED BUDGET AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C GRANT	PRIMARY TECH. CODE D LOAN	E. 1ST FY 79 F GRANT	E. 1ST FY 79 G LOAN	H. 2ND FY 80 I GRANT	H. 2ND FY 80 J. LOAN	K. 3RD FY ___ L GRANT	K. 3RD FY ___ M. LOAN
(1) ESF	610	610		225		1,900			
(2)									
(3)									
(4)									
TOTALS				225		1,900			

A. APPROPRIATION	N. 4TH FY ___ O. GRANT	N. 4TH FY ___ P LOAN	Q. 5TH FY ___ R GRANT	Q. 5TH FY ___ S LOAN	LIFE OF PROJECT T GRANT	LIFE OF PROJECT U. LOAN
(1) ESF					2,125	
(2)						
(3)						
(4)						
TOTALS					2,125	

11. PROJECT FUNDING AUTHORIZED (ENTER APPROPRIATE CODE(S)) 1 - LIFE OF PROJECT; 2 - INCREMENTAL, LIFE OF PROJECT: A. GRANT 1; B. LOAN

C. PROJECT FUNDING AUTHORIZED THRU FY 80

12. INITIAL PROJECT FUNDING ALLOTMENT REQUESTED ($000)

A. APPROPRIATION	B. ALLOTMENT REQUEST NO. ___ C GRANT	D LOAN
(1) ESF	225	
(2)		
(3)		
(4)		
TOTALS	225	

13. FUNDS RESERVED FOR ALLOTMENT

TYPED NAME (Chief, SER/FM/FSD)

SIGNATURE

DATE

14. SOURCE/ORIGIN OF GOODS AND SERVICES: [X] 000 [ ] 941 [X] LOCAL [ ] OTHER ___

15. FOR AMENDMENTS, NATURE OF CHANGE PROPOSED

FOR PPC/PIAS USE ONLY	16. AUTHORIZING OFFICE SYMBOL	17. ACTION DATE MM DD YY	18. ACTION REFERENCE (Optional)	ACTION REFERENCE DATE MM DD YY

AID 1330-4 (7-70)

PROJECT AUTHORIZATION AND
REQUEST FOR ALLOTMENT OF FUNDS

PART II

ANNEX D

Name of Country: Jordan

Name of Project: Vocational Training

Number of Project: 278-0238

Pursuant to Part II, Chapter 4, Section 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize a Grant to Jordan, the "Grantee", of not to exceed Two Hundred Twenty Five Thousand United States Dollars ($225,000) (the "Authorized Amount") to help in financing the foreign exchange and local costs of goods and services required for the project as described in the following paragraph.

The project consists of design and construction of a Vocational Training facility, the Amman Trade Training Center ("TTC"); furnishings and equipment; consultant and expert services; staff training and exchange visits to similar facilities in the U.S. for the Vocational Training Corporation ("VTC") which will operate the facility (hereinafter referred to as the "Project").

I approve the total level of A.I.D. appropriated funding planned for this project of not to exceed Two Million One Hundred Twenty Five Thousand United States Dollars ($2,125,000), including the $225,000 authorized above, during the period FY 79-80. $1,900,000 will be available for an additional increment in FY 1980 subject to the availability of funds in accordance with A.I.D. allotment procedures.

I hereby authorize the initiation of negotiation and execution of the Grant by the Officer to whom such authority has been delegated in accordance with A.I.D. regulations and Delegations of Authority subject to the following essential terms and convenants and major conditions; together with such terms and conditions as A.I.D. may deem appropriate:

a. Source and Origin of Goods and Services

Goods and Services financed by A.I.D. shall have their source and origin in the United States or the Cooperating Country, except as A.I.D. may otherwise agree in writing.

b. A.I.D. Approvals

All consultants selected and contracts for services to be financed shall be approved by A.I.D.

c. Conditions Precedent to Disbursement

1. First Disbursement - Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

65X

(a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;

(b) A statement of the name of the person holding or acting in the office of the Grantee specified in the Grant Agreement, and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) An executed and delivered agreement by which the funds granted under this Agreement are made available as a grant to the VTC for the Project and that the VTC is given full responsibility and authority to implement the Project.

2. Additional Disbursements -- Construction

Prior to disbursement under the Grant for construction services or to issuance by A.I.D. of documentation pursuant to which disbursement will be made for construction services, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A construction package, including but not limited to design, technical specifications, bill of quantities, an executed construction supervision contract and an executed construction services contract;

(b) Evidence that financing will be available to complete the construction of the TTC.

3. Additional Disbursements -- Technical Assistance and Training

Prior to disbursement under the Grant for technical assistance and training, or to the issuance by A.I.D. of documentation pursuant to which such disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An implementation plan which will include, but not be limited to, an organizational and staffing plan, and which will identify VTC counterparts to U.S. consultants and VTC staff members to receive training;

(b) Evidence that financing will be available to operate the TTC and VTC, including a proposed budget showing the source and amount of funds to be provided for personnel and operation of the TTC and VTC.

d. Convenants

1. The Grantee will ensure that the VTC will provide the staffing and operating costs for the TTC and will, at the TTC, annually offer training to at least 300 persons at the skilled and semi-skilled levels and to at least another 300 persons for the upgrading of skills.

2. The Grantee will ensure that the VTC, in conjunction with the women's department of the Ministry of Education, will develop a draft program for training women by December, 1980.

66

3. The Grantee will ensure that the VTC will prepare, by February 1981, a long-range financial plan for reducing its dependency on government appropriations.

4. The Grantee will ensure that the contract for the construction of the TTC will be let using competitive bidding procedures.

Alfred D. White
Acting Assistant Administrator
Bureau for Near East

Sept. 28, 1979
Date

ANNEX E

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

AMERICAN EMBASSY
AMMAN — JORDAN

وكالة الولايات المتحدة للانماء الدولي

السفارة الاميركية

عمان ـ الاردن

CERTIFICATION PURSUANT TO SECTION 611 (E)
OF THE FOREIGN ASSISTANCE ACT OF 1961
AS AMENDED

I, Edgar C. Harrell, the prinicipal officer of the Agency for International Development in Jordan, having taken into account, among other things, the maintenance and utilization of projects in Jordan previously financed or assisted by the United Stated, do hereby certify that in my judgement Jordan has both the financial capability and the human resources capability to effectively maintain and utilize the capital assistance project, (Vocational Training, 278-0238).

Edgar C. Harrell
AID Director
Amman, Jordan

ANNEX F

VCCATIONAL TRAINING CORPORATION
FIVE YEAR PLAN 1978-1982

I. Preface

The Five year Development Plan for Jordan (1976-1980) attached special importance to the development of vocational training in the field of Labour and Manpower:

A. To respond to labour requirements and manpower training at the limited skill level through short term and crash training. The number required is about 25,000 labourers during the period 1976-1980.

B. To improve manpower performance through skill upgrading.

The Vocational Training Corporation was established in 1976 by Law No. 35 to contribute towards the fulfillment of the Five year Development Plan in the field of manpower development. A Board of Directors for the Corporation was formed in September 1976, and a full time Director General was appointed in May 1977. The Corporation could thus be considered to have started its functions in the second half of 1977. The budget for the Corporation, according to the Five Year Development plan, was estimated to be 3.8 million Dinars for the period 1976-1980.

The Vocational Training Corporation makes use of the training facilities provided by the various industrial establishments in the form of in-plant training. The Corporation also makes use, for the time being, of the training facilities provided by vocational schools and trade training centers run by the Ministry of Education.

II. Plan Objectives

The objectives of the five year plan of work for the Corporation can be classified into two main fields; vocational training and occupational standards.

A. Vocational Training Objectives:

1. Training of manpower up to the level of "skilled labour" through apprenticeship schemes.

2. Upgrading of employed manpower to improve job opportunities, raise productivity, and enhance quality.

3. Training and skill upgrading of supervisors in industry.

4. Training of manpower to the "limited skill" level through short term and crash training if necessary.

B. Occupational Standards Objectives:

1. To lay down the basis and specifications of skill levels (skill ladder), according to labour requirements in Jordan.

2. To specify and approve skill performance standards for every skill level.

3. To design performance tests and certification systems for the various skill levels.

4. To develop an integrated system for vocational education and training, both institutional and in-plant, in the field of "training standards" which include acceptance levels, training content, and certification, and in the field of making optimum use of available training facilities.

5. To cooperate and coordinate with other agencies which undertake training activities in Jordan to improve the efficiency and effectiveness of training.

6. To cooperate and coordinate with Arab and International agencies concerned with vocational education and training.

III. Procedures

A. In the field of Vocational Training:

1. Training facilities

The Vocational Training Corporation implements its training activities related to apprenticeship after signing bilateral agreements with the various industrial establishments concerned. The Corporation, on the other hand, makes use of training facilities offered by the Ministry of Education in secondary vocational schools and trade training centers. Only partial use of these educational institutions is possible because many of them already run a two shift system of vocational education.

Consequently, the size of training undertaken by the Corporation will remain limited and below the level aimed at unless training centers are established to serve the needs of the Corporation by supporting its apprenticeship, upgrading and supervisory training.

2. Training Staff

The present technical staff of the Corporation, which include training officers and instructors are in need of development both quantitatively and qualitively especially that most of them are new and have little experience in the field of training. The same applies to the staff in industry needed to implement training activities under the Corporation's supervision.

3. Training Programs & Curricula

In addition to the training facilities and qualified instructors,

70

the success of training depends also on the availability of training programs and curricula that specify the skills and knowledge, both related and general, to be transferred to the trainees within the modular training system which the Corporation adopted and started to develop.

B. In the field of Occupational Standards:

1. Organization of skill levels:

This would necessitate a common effort from the various concerned agencies including the Ministry of Labour, the Trade Unions, the Professional Unions, the Employers, and the Vocational Training Corporation which will be responsible for coordination, implementation and follow-up. The aim would be to adopt standard skill levels as a first step for job licencing.

2. Legislation:

Job(trade) organization which accompanies work on occupational standards requires a legistative umbrella that would define the roles of the various concerned parties, including the employers and the Vocational Training Corporation, technically and financially.

On the other hand, the section dealing with training in the present Labour Law needs amendment.

3. Integrated Approach to Vocational Education and Training:

Despite the differences in the means and methods used in the field of Vocational education and training, the general framework and objectives are the same whether it is implemented in educational institutions or in industrial establishments. This would necessitate an integrated approach in planning, implementation and evaluation by the Ministry of Education, the Vocational Training Corporation and other concerned agencies.

IV. <u>Main Plan of Action</u>

The following main plan of the Corporation is intended to specify the targets for the period 1978-1982, and the various activities that would lead to these targets. From this main plan of action, would emerge detailed plans dealing individually and comprehensively with every major item of the main plan with special reference to procedures, roles and functions.

A. Establishment of Training Centers

The Corporation plans to establish five training centers during the plan period to support its training activities within a flexible system of training according to the following timetable.

71X

Location	Start procedures	Completion
1. Amman Northern Industrial Zone	1978	1981
2. Amman (for girls)	1978	1981
3. Zarka	1979	1982
4. Amman Southern Landustrial Zone	1979	1982
5. Irbed	1979	1982

The capital costs of the various main items for every center are as follows:

Training Centre	Capital Costs in 1000 JD'S			
	Land	Design	Construction	Equipment & Furniture
Amman(North)	90	30	295	264
Amman(Girls)	45	20	160	102
Zarka	40	25	250	200
Amman(South)	90	30	275	240
Irbed	60	25	160	100
TOTAL	330	130	1,140	906
GRAND TOTAL 2,506				

B. Vocational Training

The size of training that can be implemented by the Corporation during the five years of the plan, especially during the final two years 1981 & 1982, would critically depend on the possibility of establishing the training centers mentioned in (a) above. The following timetable shows the expected number of trainees during the plan period with and without the training centers.

Type of Training	Number of new Trainees						
	1978	1979	1980	without centers		with centers	
				1981	1982	1981	1982
skilled Labourers	200	250	300	350	400	500	825
Limited skill Labourers	50	100	125	150	200	350	700
Upgrading	200	300	300	300	300	500	750
Supervisors & Technicians	40	75	100	100	100	200	300
TOTAL	490	725	825	900	1000	1550	2575
	2040			1900		4125	

C. Occupational Standards

The general objective in this respect would be to finalize level and training standards, which will be the basis for job organization in Jordan, before 1982. The following is a timetable showing the relevant implementation stages:

73X

1978

- Preparation of working documents about the skill levels inside and outside Jordan.
- Preparation of suggested amendments to the Labour Law concerning training.
- Coordination with the Ministry of Education concerning the general outline of curricula for the "skilled labour" level of training.

1979

- Adoption of standard "skill levels" after finalization of relevant studies by a technical committee representing the sectors concerned.
- Formation of technical committees to prepare "occupational standards".
- Coordination with the various government agencies that undertake training activities in Jordan with the aim of rationalizing systems and levels of training.

1980

- Preparation and adoption of "Performance Standards" in selected trades.
- Coordination with the Ministry of Education and other concerned agencies to organize and adopt a general policy for vocational education and training.

1981

- Preparation of standard performance tests in the selected trades.
- Adoption of the necessary legislation for job organization and occupational standards.
- Preparation of the necessary working documents dealing with the formation of a high level body to supervise the policy of vocational education and training in Jordan.

1982

- Follow up of the implementation of job classification and occupational standards.
- The formation of a high level body to supervise the policy of vocational education and training in Jordan.

August, 1978

The Hashamite Kingdom of Jordan
Vocational Training Corporation

Title of Project: Trade Training Centre - Amman

1. Background:

During the last decade, Jordan witnessed great expansion in the field of education which led to high enrollment ratios, and uncontrolled expansion of academic secondary education, which was brought about at the expense of vocational education.

Despite the efforts made by the Ministry of Education during the past five years in the field of vocational education, which resulted in raising the percentage of students accepted in vocational courses from 8.5% in 1972 to 17% in 1977, a noticeable shortage still exists in trained manpower in industry, commerce and agriculture.

To complement the work undertaken by the Ministry of Education in the field of vocational preparation, and to make use of in-plant training in industry, the Vocational Training Corporation was established in 1976. The Corporation will be mainly concerned with two types of training activities:

a. Apprenticeship schemes with industry, making use of day-release, block-releas and sandwich systems in cooperation with a trade training centre.

b. Upgrading of already employed labourers to raise their performance standards. To provide for these activities, the corporation intends to establish a trade training centre.

2. General objectives:

a. This centre will play its role in the context of the country's emerging over-all training policy, which is charcterised by increasing reliance on an arsenal of modern, flexible training arrangements, these include short, intensive training, apprenticeship and in-plant training.

b. To serve the economic development plan by supplying private and public institutions with skilled labour force which is qualified to contribute towards meeting the standing and expected requirements in the industrial field.

3. Specific Objectives:

a. To help in directing young citizens into industrial work, through apprenticeship by full cooperation with industrial establishments.

b. To improve and raise the standard of performance of the already employed workers by providing training courses in the afternoons and/or evenings on full-time or part-time basis.

c. To provide supervisory training to present or future supervisors.

d. To prepare and/or upgrade on-the-job instructors and training officers in industry.

4. Location:

As the centre should supplement in-plant training in industry, it should be located in an industrial location, so Amman is obviously a priority zone in this respect.

5. Fields of training:

a. Plant maintenance and fabrication mechanical; to carry-out operations at a high level of productivity in the existing industrial plants, besides producing new goods.

b. Industrial electricity, including the habitual skill range of electricians such as electrical installations, repairing of electrical appliances, electrical apparatus and installation in industry and coil winding.

c. Climatization: including central heating systems, air conditioning and refrigeration, geared to application unit, medium and large scale heating and cooling plants.

d. Auto-motive occupations, including the repair and maintenance work of petrol and diesel fuel cars.

e. Wood work, including making and repairing of wooden frames, doors, windows, and cabinets.

6. Types of Training:

Different types of pre-employment and in-service training will be offered which correspond to a variety of skill levels and skill mixes, in the main, and wherever feasible, training will be organized in modular form to ensure easy adjustment of the skill composition and level of the worker to changing requirements of industry.

In particular the centre will offer the following types of training:

a. The training of fully fledged skilled craftsman who are competent in a wide range of occupational skills in accordance with their field of occupational activity.

b. The training of skilled industrial personnel who are competent in a relatively narrow range of occupational skills that may, however be developed to a very high level.

c. The training of young persons who are not yet employed in a variety of basic skills in the form of pre-employment training, either related to subsequent apprentice training or designed to improve their capability to receive informal on-the-job training in general.

d. Supplementary training and instruction.

e. Up-grading training to facilitate upward mobility of skilled workers and supervisors.

7. Admission Standards:

The admission standards differ according to type and level of training required, in general the standards could be as follows:

a. For wide-range specialist workers, which is considered as long term training, the trainee must have finished the compulsory education, i.e. nine years of general education. He should be normally between 16-22 years of age, he should be fit mentally and physically, for industrial training, and finally he should pass an aptitude test.

b. For narrow-range, and up grading course, no standards of admission are set, except that he should already have been employed in industry.

8. Duration of Training:

a. For wide-range of skills, the duration of training may vary depending on the field of training, for practical purposes, however the margin of variation will be limited, in general, the duration could be around 24 months.

b. For narrow-range of skills the duration of training may vary depending on the level of competency and on the skill mix, in general the duration could be around 12 months.

c. For upgrading courses, the duration should be decided based on skill analysis, and it depends on the qualification of entrants.

9. Organization of Training Courses:

a. Training of wide-range of skills:

The training would preferably start with a basic training course which is full-time and the duration of which would be around two months, followed by work in industry with parellel day release or block release to provide the trainees with the required technical knowledge and general cultural subjects.

b. Other training courses:

The organizational pattern of these courses depends on the availability and background of the entrants and on the matter to be taught. This the pattern to be followed in training will be determined for each case in the light of concrete requirements.

10. Routine of daily work in the centre:

The centre will have a continous work day which permits specific training courses to begin at any point in time during the day. Only a continuous work day will permit the necessary flexibility and high use factor for the facilities.

11. Enrollment:

The centre is so designed that scope for considerable flexibility of operation is provided, not only can different types of courses be offered, but it can also in quantitative and qualitative terms respond quickly to changing needs. Obviously, the enrollment at the centre will vary in accordance with the type of courses offered at any given time and their mix. It is therefore, not possible to assess one enrollment. In general, the centre will be able to help graduate 400 trainees annually.

12. Facilities Needed:

a. Class rooms to be used for instructional purposes and technical drawing, at this level, no drawing machines are needed, just simple moveable drawing boards stored under the tables.

b. Workshops: One workshop per specilization is required, plus one basic training workshop which will be equipped to serve for pre-vocational training. Each workshop does not have to be a self contained unit, equipped with all necessary machinery and equipment, as an example, there would be a central welding shop, not welding equipment provided wherever needed.

c. Other facilities: Administration, cafeteria.

13. Requirements for teaching Staff:

With regard to teaching staff, the principle of "integrated training" demands that all technical staff should have a technical background and have acquired work experience in their field of speciality. For the general subjects teachers should have university degree in the field in which they are going to teach. With regard to teaching, there should be no separation between "practice" on the one hand and "theory" on the other, so all workshop instructors should also teach some theory.

The following is the list of staff and employees needed for the centre during it's first two years of operation.

Title	Qualification	Number required 1st year	Number required 2nd year	Total
A. Administration				
- Principal	U.D.	1	-	1
- Deputy	U.D.	-	1	1
- Secretary	T.I.	1	-	1
- Accountant	T.I.	1	-	1
- Typist	V.S.	1	-	1
- Librarian	T.T.I.	1	-	1
- Store keeper	T.I.	1	1	2
B. Classroom teachers(General)	T.T.I. or U.D.	2	2	4
C. Workshop instructors:				
- Basic Training	T.I.	4	-	4
- Plant maintenance	T.I.	4	4	8
- Plumbing & sanitary	T.I.	1	1	2
- Auto motive	T.I.	3	3	6
- Industrial electricity	T.I.	2	2	4
- Climatization	T.I.	3	2	5
- Wood work	T.I.	2	2	4
D. Others (employees)	Primary Ed.	10	5	15
Total		37	23	60

U.D.: University degree, T.I.: Technical Institute
T.T.I.: Teacher Training Institute, V.S. : Vocational school

14. Land:

Area of land required 30,000 Sq. m.

Estimated cost of land 90,000 J.D.

BEST AVAILABLE DOCUMENT

Buildings, furniture and equipment

For detail of equipment (see annex I.)

Building	Number of students per unit	No. of units required	Net area in M 2. Per unit	Total	Estimated cost of equipment and furniture JD.
Administration Offices	-	5	16	80	1000
Class rooms	30	5	50	250	2000
Dining Hall	40	2	80	160	1000
Staff rooms	-	2	20	40	300
Library		1	120	120	5000
Plant maintenance & repair	35	1	400	400	00000
Industrial electricity	25	1	300	300	25000
Mechanization	30	2	300	600	40000
Auto motive	32	1	350	350	30000
Wood work	25	1	300	300	20000
Basic training	60	1	350	350	20000
General Store		1	300	300	2000
Cafeteria		1	100	100	2000
		Total Net		3350	264300
		Corridors, etc.(+30%)		1005	
		Grand total		4355	

Capital Costs	J.D.	U.S $
Design and supervision	30000	90000
Construction work	320000	1000000
Equipment & Furniture	264300	792900
Land	90000	270000
Playing grounds	10000	30000
Miscellaneous	10000	30000
Total	724300	2212900

BEST AVAILABLE DOCUMENT

Recurring Costs (J.D.)	1st year	2nd year
Wages & Salaries	34000	60000
Raw materials & Teaching Aids	15000	20000
Maintenance & Service	2000	3000
Total	51000	83000

BEST AVAILABLE DOCUMENT

BEST AVAILABLE DOCUMENT

Details of workshop equipment:

1. Plant maintenance and repair:

Section	No. of Work places	Main items	Quantity
Machine shop	10	student lathe	5
		shaping machine	2
		surface grinder	1
		universal milling M/C	1
		Horizontal Milling/"	1
		Radial Drill	1
Arc Welding	6	Manual arc welders	6
		manual Mig welders	1
		power hack saw	1
Gas welding	6	Acetylene Generator	1
		Oxy-acetylene welding sets	6
Heat treatment	3	hardening oven	2
		hardness tester	1
Sheet metal	5	Guillotine	1
		Rolling machine	1
		bending machine	1
		spot welding machine	1
		seam welding machine	1
		shear, power	1
Bench work	5	grinding machine	2
		drilling machine	2
		work benches	3

83X

... Industrial ...

BEST AVAILABLE DOCUMENT

Section	No. of work places	Main items	Quantity
Test & measurements	5	work benches with instrumentation, test benches with instrumentation.	3 of double position
Motors & Generators	5	Different types of motors and generators for trouble shooting and testing.	3 of each
		Coil winding machine	1
		Drying oven	1
Circuits & Cables	5	Training booths for elementary cabling, work panels for industrial circuits	5
Repair (electrical appliances)	5	grinder	1
		drilling machine	1
		small lathe	1
Installation	5	training booths	5

3. Climatization:

Section	No. of work places	Main items	Quantity
Plumbing	6	Pipe master	1
		Training booths	6
		Pipe bender	1
		work bench	1
Sanitary work	6		
Central heating	6	gas boiler	1
		electrical boiler	1
		fuel boiler	1
Air conditioning	5	unit conditioners	3
		central plant	1
Refrigeration	6	Unit refrigerators	4
		air compressor	1
		cold store	1

84

4. Auto Mechanic:

Section	No. of work place	Main items	quantity
Vehicle testing	2	performance testing equipment	
Brake mechanic	4	Hydrulic lift	1
		brake performance test	1
Transmission mechanic	4	different types of transmission	2 of each
Steering & suspension	4	optical wheel alignments	1
		wheel balancer	1
Engine over hauling	6	work benches	3
		trollies	3
		valve grinder (wet)	1
Auto electrician	4	head light tester	1
		Ignition tester	1
		spark plug cleaner	1
Auto body repair	4	tools	
Diesel fuel pump test	2	fuel pump tester	1

BEST AVAILABLE DOCUMENT

BEST AVAILABLE DOCUMENT

5. Wood work:

Section	No. of work places	Main items	quantity
Frames, doors, windows and cabinet making	25	work benches	5
		thicknesser	1
		planner	1
		band saw	1
		Disc. saw	1
		Jointer	1
		Press	1
		Grinder	2
		Drill press	2

6. Basic Training:

Section	No. of work places	Main items	quantity
Fitting	40	work benches	20
		grinder	2
		Drill press	2
Electrical installation	6	Training booths	6
Machining	6	student lathe	3
Welding	8	manual arc welders	4

ANNEX J

1.

BEST AVAILABLE DOCUMENT

INITIAL ENVIRONMENTAL EXAMINATION

Date: June 26, 1979

Project Location: Jordan

Project Title: Vocational Training

Funding: FY 1979 - $225,000 Grant

Fy 1980 - $1,900,000 Grant

IEE Prepared by: James G. Cassanos, General Engineering Officer

Environmental Action Recommended: Negative Determination

The proposed project will have no significant adverse effects on the environment. No further assessment is needed.

Concurrence:

Edgar C. Harrell
Mission Director

87X

BEST AVAILABLE DOCUMENT

DISCUSSION OF ENVIRONMENTAL EFFECTS

VOCATIONAL TRAINING PROJECT

I. Description of Project

The project will provide a grant of $2.125 million to the Government of Jordan for use by the autonomous Vocational Training Corporation (VTC) to finance a program of vocational training in Jordan.

The grant will be used to partially fund the construction and equipping of the Amman Trade Training Center and to fund technical assistance designed to help the VTC improve its training efficiency and to increase its training capacity to meet the demand for skilled workers in industry. Funds are also provided for a study of the employment opportunities of women, for the development of a sister-school arrangement between the VTC and an American institution and for a limited number of observational training tours for VTC staff.

II. Nature, Scope and Magnitude of Environmental Effects

The Amman Trade Training Center will be built at a site at Yajouz on the outskirts of Amman. The Center will consist of a main structure with classrooms and administration support offices (including a library) and two workshop buildings (including a cafeteria). Five classrooms, two technical drawing rooms and seven workshops are planned for actual teaching and training, all set on a 50,000 square meter site.

There will be only minor and temporary environmental disruptions during construction. After the buildings are finished, the site will be graded and landscaped, thus improving the general appearance of the area.

The training provided by the Center will increase the skills of workers in trade and industry and should have a significant beneficial effect on the economy and on employment pattern. The study of employment opportunities for women, if it leads to similar training facilities for women, should enhance their role in development.

In view of the above, we believe that no further assessment is needed.

BEST AVAILABLE DOCUMENT

IMPACT IDENTIFICATION AND EVALUATION FORM

Impact Areas and Sub-areas 1/	Impact Identification and Evaluation 2/
A. LAND USE	
1. Changing the character of the land through:	
a. Increasing the population	N
b. Extracting natural resources	N
c. Land clearing	L
d. Changing soil character	N
2. Altering natural defenses	N
3. Foreclosing important uses	N
4. Jeopardizing man or his works	N
5. Other factors	
_____	_____
_____	_____
B. WATER QUALITY	
1. Physical state of water	N
2. Chemical and biological states	N
3. Ecological balance	N
4. Other factors	
_____	_____
_____	_____

1/ See Explanatory Notes for this form.
2/ Use the following symbols: N - No environmental impact
L - Little environmental impact
M - Moderate environmental impact
H - High environmental impact
U - Unknown environmental impact

89X

BEST AVAILABLE DOCUMENT

IMPACT IDENTIFICATION AND EVALUATION FORM

C. ATMOSPHERIC

1. Air additives ---------- N
2. Air pollution ---------- N
3. Noise pollution ---------- N
4. Other factors

_____ _____

_____ _____

D. NATURAL RESOURCES

1. Diversion, altered use of water ---------- N
2. Irreversible, inefficient commitments ------ N
3. Other factors

_____ _____

_____ _____

E. CULTURAL

1. Altering physical symbols ---------- N
2. Dilution of cultural traditions ---------- N
3. Other factors

_____ _____

_____ _____

BEST AVAILABLE DOCUMENT

F. SOCIO-ECONOMIC

1. Changes in economic/employment patterns -------- M
2. Changes in population ---------- N
3. Changes in cultural patterns ---------- U
4. Other factors

_____ _____

_____ _____

IMPACT IDENTIFICATION AND EVALUATION FORM

G. HEALTH

1. Changing a natural environment ---------- N
2. Eliminating an ecosystem element ---------- N
3. Other factors

_____ _____

_____ _____

H. GENERAL

1. International impacts ---------- N
2. Controversial impacts ---------- N
3. Larger program impacts ---------- N
4. Other factors

_____ _____

_____ _____

I. OTHER POSSIBLE IMPACTS (not listed above)

_____ _____

_____ _____

_____ _____

91X

8/16/79

Jordan
Voc. Training

6.

ANNEX J

MEMORANDUM

August 16, 1979

TO: NE/TECH/HRST, Michael F. Lukomski, Project Chairperson

FROM: NE/PD/PDS, Stephen F. Lintner, S.F.L., Environmental Coordinator

SUBJECT: JORDAN - Vocational Training Project (278-0238) - Environmental Clearance

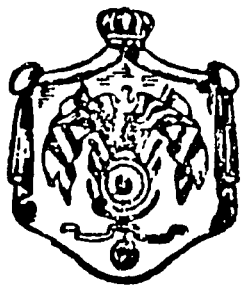
I have reviewed the Initial Environmental Examination (IEE) submitted for the proposed project and concur with the "Negative Determination" of the Mission. It should be noted that except to the extent designed to result in activities directly affecting the environment (such as construction of facilities, etc.), educational training programs have been determined not to be Federal actions having a significant effect on the environment. Such actions require only an explanatory paragraph on environment in the Project Paper and do not require an Initial Environmental Examination.

cc: GC/NE, John Mullen
USAID/Amman, Royal C. Cline, Environmental Officer
USAID/Damascus, Garber Davidson, Regional Legal Officer

ANNEX K

بسم الله الرحمن الرحيم

THE HASHEMITE KINGDOM
OF JORDAN
NATIONAL PLANNING COUNCIL
AMMAN
Tel. 44466 - 44470
P. O. B. 555
Teleg. NPC - Amman



المملكة الأردنية الهاشمية
المجلس القومي للتخطيط
عمان
الهاتف : ٤٤٤٦٦ - ٤٤٤٧٠
ص.ب ٥٥٥

No. 58/1 / 6578
Date August 27, 1979
Ref.

الرقم
التاريخ
الموافق

Mr. Edgar C. Harrell,
Director,
USAID/Jordan,
c/o American Embassy,
Amman.

Dear Mr. Harrell,

During the past several months, the Vocational Training Corporation (VTC) and USAID/Jordan have engaged in discussions and planning related to increasing the capacity of the VTC to train skilled and semi-skilled workers for the economy of Jordan.

Since an increased VTC capacity for the training of workers for specific employers meets a need in Jordanian development and also results in both social and economic benefits to the citizens who participate in such training, this is to request that USAID/Jordan consider assisting this effort.

More specifically, we propose that such assistance would address the following: the construction and equipping of a new Amman Trade Training Center; training for VTC staff; the establishment of a sister school concept; and a research study of women's employment opportunities.

We trust that these areas will be of interest to you and that you will consider them positively.

Sincerely yours,

President

Annex L

A.I.D. Project Number 278-0238

PROJECT

GRANT AGREEMENT

BETWEEN

THE HASHEMITE KINGDOM OF JORDAN

AND THE

UNITED STATES OF AMERICA

FOR

VOCATIONAL TRAINING PROJECT

Dated: September 29, 1979

Copy

94

TABLE OF CONTENTS

SECTION NUMBER	TITLE	PAGE NO.
Article 1	The Agreement	1
Article 2	The Project	1
SECTION 2.1	Definition of Project	1
SECTION 2.2	Incremental Nature of Project	1
Article 3	Financing	2
SECTION 3.1	The Grant	2
SECTION 3.2	Grantee Resources for the Project	2
SECTION 3.3	Project Assistance Completion Date	2
Article 4	Conditions Precedent to Disbursement	3
SECTION 4.1	First Disbursement	3
SECTION 4.2	Additional Disbursements -- Construction	3
SECTION 4.3	Additional Disbursements -- Technical Assistance and Training	4
SECTION 4.4	Notification	4
SECTION 4.5	Terminal Dates for Conditions Precedent	4
Article 5	Special Covenants	4
SECTION 5.1	Project Evaluation	4
SECTION 5.2	Staffing and Training	5
SECTION 5.3	Program for Women	5
SECTION 5.4	Financial Plan	5
SECTION 5.5	Construction Contract	5
Article 6	Procurement Source	5
SECTION 6.1	Foreign Exchange Costs	5
SECTION 6.2	Local Currency Costs	5
Article 7	Disbursement	6
SECTION 7.1	Disbursement for Foreign Exchange Costs	6
SECTION 7.2	Disbursement for Local Currency Costs	6
SECTION 7.3	Other Forms of Disbursement	6
SECTION 7.4	Rate of Exchange	7
Article 8	Miscellaneous	7
SECTION 8.1	Investment Guaranty Project Approval	7
SECTION 8.2	Communications	7
SECTION 8.3	Representatives	8
SECTION 8.4	Standard Provisions Annex	8

ATTACHMENTS

Annex 1	Project Description	(9 pages)
Attachment to Annex 1	Project Financial Plan	(1 page)
Annex 2	Project Grant Standard Provisions Annex	(8 pages)

A.I.D. Project Number: 278-0238

PROJECT GRANT AGREEMENT

BETWEEN

The Hashemite Kingdom of Jordan ("Grantee"), acting through the National Planning Council ("NPC") as its representative, and the Vocational Training Corporation ("VTC") as the implementing agency,

AND

The United States of America, acting through the Agency for International Development ("A.I.D.")

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of design and construction of a vocational training facility (including furnishings and equipment), staff training, exchange visits to similar facilities in the United States, and consultant services. Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.3, without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project.

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial contribution of Two Hundred Twenty Five Thousand United States ("U.S.") dollars ($225,000) is being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and the mutual agreement of the Parties, at the time of a subsequent increment, to proceed. The total A.I.D. contribution over the life of the Project will not exceed Two Million One Hundred Twenty Five Thousand U.S. dollars ($2,125,000).

96X

Article 2: The Project (Continued)

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed Two Hundred Twenty-Five Thousand U.S. dollars ($225,000) ("Grant").

SECTION 3.2. Grantee Resources for the Project.

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be not less than the equivalent of Nine Hundred Thousand United States Dollars (U.S.$900,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD) which is June 30, 1981, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all portions of the Project financed jointly by them on a Fixed Amount Reimbursement (FAR) basis will have been completed, that all services financed under the Grant other than on an FAR basis will have been performed, and that all goods financed under the Grant other than on an FAR basis will have been furnished for the Project, as contemplated by this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for FAR portions of the Project completed subsequent to the PACD, or in the case or portions of the Project financed under the Grant other than on an FAR basis, for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

Article 3: Financing (Continued)

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

SECTION 4.1 First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of counsel acceptable to A.I.D. that this Agreement has begun duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;

(b) A statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.3, and of any additional representatives, together with a specimen signature of each person specified in such statement;

(c) An executed and delivered agreement by which the funds granted under this Agreement are made available as a grant to the Vocational Training Corporation (VTC) for the Project and that VTC is given full responsibility and authority to implement the Project.

SECTION 4.2 Additional Disbursements -- Construction.

Prior to disbursement under the Grant for construction services or to issuance by A.I.D. of documentation pursuant to which such disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D.: (a) a construction package, including but not limited to design, technical specifications, bill of quantities, an executed construction supervision contract and an executed construction services contract in a form satisfactory to A.I.D.; (b) evidence that financing will be available to complete the construction of the VTC.

98X

Article 4: Conditions Precedent to Disbursement (Continued)

SECTION 4.3. Additional Disbursements -- Technical Assistance and Training.

Prior to disbursement under the Grant for technical assistance and training, or to the issuance by A.I.D. of documentation pursuant to which such disbursement will be made, the Grantee will, except as the Parties may otherwise agree to in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An implementation plan which will include, but not be limited to, an organization and staffing plan, and which will identify VTC counterparts to U.S. consultants and VTC staff members to receive training;

(b) Evidence that financing will be available to operate the TTC and VTC including a proposed budget showing the source and amount of funds to be provided for personnel and operation of the TTC and VTC.

SECTION 4.4. Notification. When A.I.D. has determined that the conditions precedent specified in Section 4.1, 4.2, and 4.3, have been met, it will promptly notify the Grantee.

SECTION 4.5. Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 4.1, have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

(b) If all of the conditions specified in Section 4.2 and 4.3 have not been met within 180 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Grantee.

Article 5: Special Covenants

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

(a) evaluation of progress toward attainment of the objectives of the Project;

Article 5: Special Covenants (Continued)

(b) identification and evaluation of problem areas of constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Staffing and Training. The Grantee will ensure that the VTC will provide the staffing and operating costs for the TTC and will, at the TTC, annually offer training to at least 300 persons at the skilled and semi-skilled levels and to at least another 300 persons for upgrading of skills.

SECTION 5.3. Program for Women. The Grantee will ensure that the VTC, in conjunction with the Women's Department of the Ministry of Labor, will develop a draft program for training women by December, 1980.

SECTION 5.4. Financial Plan. The Grantee will ensure that the VTC will prepare by February, 1981, a long-range financial plan for reducing its dependency on Government appropriations.

SECTION 5.5. Construction Contract. The Grantee will ensure that the contract for construction of the TTC will be let using competitive bidding procedures.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

SECTION 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree to in writing, their origin in the Hashemite Kingdom of Jordan ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

100X

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs. Upon satisfaction by the Grantee of the conditions precedent, the Grantee, from time to time, may request disbursement by A.I.D. in Jordanian Dinars in accordance with procedures to be set forth in Project Implementation Letters. Such disbursement shall be made to reimburse the Grantee for local currency costs of eligible Project items in accordance with the terms and conditions of this Agreement, upon submission to A.I.D. of such supporting documentation as A.I.D. may prescribe in Project Implementation Letters.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

Article 7: Disbursement (Continued)

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2., if funds provided under the Grant are introduced into the Hashemite Kingdom of Jordan by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of the Hashemite Kingdom of Jordan at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Hashemite Kingdom of Jordan.

Article 8: Miscellaneous

SECTION 8.1. Investment Guaranty Project Approval. Construction work to be financed under this Agreement is agreed to be a project approved by the Hashemite Kingdom of Jordan pursuant to the agreement between it and the United States of America on the subject of investment guarantees, and no further approval by the Hashemite Kingdom of Jordan will be required to permit the United States to issue investment guarantees under that agreement covering a contractor's investment in that project.

SECTION 8.2. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the VTC:

Mail Address: Vocational Training Corporation
P.O.Box 925837
Amman, Jordan
Alternate address for cable: P.O.Box 925837

To A.I.D.:

Mail Address: USAID/Jordan
American Embassy
Amman, Jordan
Alternate address for cables: U.S. Embassy (USAID), Amman, Jordan.

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

102 X

Article 8: Miscellaneous (Continued)

SECTION 8.3. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of President, National Planning Council, and A.I.D. will be represented by the individual holding or acting in the office of Mission Director, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.4. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

HASHEMITE KINGDOM OF JORDAN

By: Hanna Odeh
Title: President, National Planning Council

UNITED STATES OF AMERICA

By: Edgar C. Harrell
Title: Director, U.S.A.I.D.

ANNEX 1

PROJECT DESCRIPTION

The purposes of this joint VTC and USAID/J Project are to increase the skill level of the work force; to increase economic opportunities of youth from lower level income families; and to increase the understanding of constraints and opportunities to expand women's participation in the labor force. The primary objective of the Project is to increase the output of trainees at the skilled labor level. The Project will address the immediate problem of training capacity at the vocational level and will ease the constraint of limited physical facilities by providing for the construction and equipping of a Trade Training Center (TTC) located in Amman.

The Government of Jordan (GOJ) will implement this Project over an approximate twenty-one month period. The Vocational Training Corporation (VTC) will act for the GOJ through the National Planning Council (NPC), as the implementing agency with primary responsibility for carrying out project activities and achievement of objectives, assisted by USAID/Jordan as required through a designated Project Officer.

The VTC will designate a Project Coordinator who will be responsible for the overall management and implementation of the Project. The VTC will provide staff and support services necessary for the Project Coordinator to carry out his responsibilities in effective project implementation.

Project activities will consist of five (5) basic elements:

1. The construction and equipping of the Amman Trade Training Center (TTC) whose costs will be shared by the GOJ and AID.

2. A modular training seminar jointly planned and funded by the GOJ and AID.

3. Training for VTC staff funded by both the GOJ and AID.

4. A study of women's employment opportunities and participation in the labor force funded jointly by the GOJ and AID.

5. The establishment of a sister school relationship between the VTC and an appropriate institution to be selected. This element will be funded primarily from the AID grant.

A more detailed description of each of these elements follows. Estimated cost allocations for the GOJ and AID will be shown in the Financial Plan attached to and made a part of this Annex.

The Amman TTC (Construction and Equipment)

The Amman TTC facilities to be constructed and equipped will consist of a total of approximately 4,355 square meters and include: seven workshops, two technical drawing rooms, five general classrooms, a cafeteria, various service/storage areas and recreational facilities.

The Government of Jordan will contribute to the construction of the Amman TTC the Jordan Dinar equivalent of approximately $ 430 thousand (U.S. dollars) as detailed in the attached Financial Plan. The Financial Plan will also show details of the A.I.D. contribution of $1,060 thousand (U.S. dollars).

AID inputs to the design, supervision and construction element of this Project will be on a reimbursement basis to the VTC as the design and construction progress. Under this fixed amount reimbursement (FAR) plan, any advances to be paid for design, engineering supervision of construction and construction will be advanced by the VTC from its share of these costs as indicated previously. AID will disburse to the VTC against a total of $1,060 thousand as its share of the costs of the Amman TTC. Design -- AID will reimburse an estimated $ 60 thousand upon completion and approval of the design (A&E) services. Engineering supervision -- AID will contribute an estimated $ 40 thousand as its share of the engineering supervisory services. AID will disburse 30 percent of this amount upon completion of 25 percent of the construction, followed by two additional and equal disbursements of 25 percent each upon completion of 50 percent and 75 percent of the total construction respectively. The final 20 percent of the AID share of the supervisory engineering services contract will be paid upon acceptance by the VTC and AID of the completed Amman TTC. AID's share of the actual construction of the Amman TTC is estimated at $ 980,000. Construction -- AID will disburse under the FAR method approximately 30 percent of its share of the construction contract upon completion of the first 25 percent of the construction followed by two additional disbursements of 25 percent each as construction progresses to 50 percent and 75 percent of completion. The final disbursement of the remaining 20 percent of AID's share will be made upon completion and final acceptance of the Amman TTC by the VTC and AID. Full details of this reimbursement schedule will be defined in Project Implementation Letter Number One.

Construction targets for the TTC are for construction to begin on or about June 1, 1980 with completion (Final Acceptance) not later than June 30, 1981.

AID will finance the procurement of workshop equipment, furniture and materials for the Amman TTC facilities. The VTC will provide for AID approval a revised list of equipment. AID will assist in the procurement of this equipment and in the selection of a qualified procurement agent in the United States. The VTC and AID may request assistance from the sister school in equipment procurement to the extent that the sister school has qualified professional staff available for this purpose. The final details of procurement and schedules for the purchase of equipment, furniture and materials will be set forth in an appropriate Project Implementation Letter.

The construction and equipping of the Amman TTC is only an intermediate objective of this Project. The provision of training in increased numbers and improved quality is the ultimate objective.

TTC Operation

The GOJ and VTC will ensure maximum and effective utilization of Project facilities and equipment during a minimum of two years after the TTC becomes operational. A Project target is the output of an average of approximately 300 skilled and limited skilled trainees annually, and the upgrading of another 300 workers annually in evening programs. To achieve this, the GOJ and VTC will provide all recurrent and operating costs to include those of administration, staffing, learning materials and maintenance. Figure 1 indicates projected operational levels of the Center to increase staff and training capacity with estimated VTC inputs to operation of the TTC for a two-year period after completion.

Short-Term Training

The VTC will prepare a life-of-project plan for VTC staff development to be submitted to AID by December 30, 1979. To support this plan, AID will partially fund up to four (4) short-term training trips out-of-country to observe training, institution/industry/employer linkages and vocational training programs or systems using the modular unit instructional approach. The GOJ will provide costs of international travel.

FIGURE 1

	1981-1982		1982-1983	
A. Staff in Place	37		60	
B. Trainees/Graduates per year	525		725	
1. Skilled and Limited skilled	225		425	
2. Upgrading programs	300		300	
	JD	US$	JD	US$
	(JD & US$ in 000)			
C. Operating Expenses				
1. Staff/Administration Salaries	35	117.0	62	206.0
2. Maintenance/Services	2	6.7	3	10.0
3. Materials/Teaching Aids	13	43.0	20	67.0
TOTALS	50	166.7	85	283.0

Modular Training Seminar

To increase VTC institutional capabilities, AID will assist the VTC to carry out an in-country training seminar for VTC staff on application of modular unit training. The sister school will be used to provide, through AID funding, up to twenty (20) person-weeks of technical services primarily in the areas of management techniques, training program design, and application of modular unit instruction. The technical services will provide from two to three U.S. advisors. Approximately fifteen (15) weeks of the technical assistance time will be in-country while five (5) weeks will be used for pre-seminar planning, post-seminar activities, and materials preparation in the U.S. The VTC will provide local support for the Seminar, including facilities. The VTC may execute a host country contract, in accordance with AID procedures and regulations and with prior AID approval, to provide the required technical assistance. The first preference of VTC and AID will be to utilize the services and resources of the selected sister school, as available and appropriate, to carry out the Modular Training Seminar. The VTC will prepare a scope of work and a seminar design/plan by November 30, 1979 for AID review and approval.

Study of Employment for Women

The Women's Department of the Ministry of Labor (MOL), in consultation with the VTC and AID, will oversee a study of employment opportunities for women. It is anticipated that the services of an expatriate consultant for this purpose will be provided under this Project. The consultant will provide technical guidance for this research study and will assist the MOL and VTC to design and plan procedures for the collection of information needed to accomplish the study. AID will finance the services and travel of the consultant and the purchase of materials needed for the study. The GOJ will finance the services of three local research associates to conduct field surveys and to assist with other phases of the study. The AID-funded consultant will have responsibility for analysis of data, the preparation of a final report, and the development of an action program with the MOL and VTC to secure greater involvement of women in the Jordanian labor force. The VTC and the MOL will use the draft report and results of the study to develop a draft program by December 1980 specifically for the training of women in the VTC centers. A copy of this draft program will be provided to the USAID.

Sister School Relationship

To provide a consistent flow of relevant technical information to the VTC, AID will assist the VTC to establish a working relationship with an appropriate vocational training institution in the United States (a sister school). A contractual relationship to be established between the VTC and the sister school will enable the VTC to utilize the services of the sister school for required technical assistance. The sister school can assist the VTC with the modular training seminar, participant training and provide technical assistance as required to enhance the institutional and management improvements, training levy, training methods, vocational guidance, equipment procurement, and such others as may be agreed upon between the VTC and AID. The basic sister school/VTC contract will include up to four (4) exchange visits (two from each of the cooperating institutions); an estimated eight (8) months of technical services, and materials procurement under the contract. All VTC requests for assistance from the sister school will be reviewed by, and receive concurrence from, AID prior to preparation of documentation to secure the required assistance.

Project Implementation

An abbreviated implementation schedule is shown in Figure 2. Further implementation details for specific project elements will be the subject of a Project Implementation Letter.

Primary responsibility for all phases of project implementation will reside with the Vocational Training Corporation. The National Planning Council will ensure the necessary transfer of resources, responsibility and authority to the VTC for timely and effective Project implementation.

The VTC will contract for necessary design, supervision and construction services. All local cost elements will be financed by the VTC from its own resources under standard GOJ procedures.

The VTC will submit to USAID/J a list of workshop equipment, furniture, and materials for the Amman TTC. AID will be requested to assist with equipment procurement and designation of a qualified agent as appropriate. The VTC with USAID assistance, will closely coordinate the procurement, delivery, and installation of project funded equipment with construction progress of the Amman TTC.

Similarly, the VTC will complete scopes of work and proposed design for the Modular Training Seminar and for the sister school arrangement.

To ensure systematic and effective staff development, the VTC will prepare a life-of-project staff development plan to include participant training requirements of key VTC staff to be accomplished in the Project.

The VTC and MOL will prepare a scope of work for the services of a consultant to assist with the survey of women's employement opportunities.

Project Evaluation

A preliminary VTC/USAID evaluation will take place approximately fifteen (15) months after the Project has begun to determine if capacity project targets are being met and to assess the quality of training being provided by the VTC. This evaluation will include interviews and case study analyses with employers and trainees to determine how well the VTC training programs have contributed to the quality of on-the-job performance.

FIGURE 2. Implementation/Significant Action Targets

DATES	ITEM	ACTION AGENTS
1979		
1. September 30	Project Agreement Signed	NPC/USAID
2. November 30	Request for Proposal and Scope of Work for Sister School	VTC/USAID
3. November 30	Scope of Work and Proposed Design for Research Study of Women's Employment Opportunities	VTC/MOL/USAID
1980		
4. January 15	Issue Invitation for Bids for Commodity (Equipment) Procurement	USAID/AID
5. April 15	Award Sister School Contract	VTC/USAID
6. May 1	Award Construction Contract/ Award Supervisory Services Contract	VTC
7. June 15	Modular Training Seminar Begins	VTC/Sister School
8. December 30	Draft Program for Training of Women in VTC Centers	VTC/MOL
1981		
9. January 1	Evaluation of Quality of Training	VTC/USAID
10. January 30	Final Report on Women's Employment Research	VTC/MOL
11. June 30	Acceptance of completed TTC	NPC/VTC/USAID
12. September 30	Final Project Evaluation	VTC/USAID

After the end of the Project in 1981 a final GOJ/VTC/USAID project evaluation will determine the effectiveness of VTC (Amman TTC) capability and capacity.

More specifically, the following are expected to form, but not limit, the basis of the final evaluation:

1. Number of trainees enrolled for three levels of VTC training: apprenticeship at skilled level, limited-skilled level, and upgrading programs. This will include an analysis of the expanded capacity of the VTC to produce in the Amman TTC at least 300 skilled and limited skilled workers and the upgrading of 300 workers, technicians, and supervisors annually.

2. The numbers and qualifications of the Amman TTC and the VTC staff in terms of capacity and quality of instruction.

3. GOJ budgetary allocations to the VTC and the Amman TTC.

4. The VTC's perception of the benefits derived from the modular unit training seminar.

5. The construction and operation of the Amman TTC as per approved design specifications, agreed upon enrollment targets, GOJ funding levels and Project-related staffing and organizational plans developed by the VTC.

6. The timely procurement, installation and utilization of all Project-funded equipment, furniture and materials.

7. VTC's and sister school's perception of the benefits of their joint efforts in: developing a workable training levy scheme, instituting a more effective trainee counseling program, establishing a meaningful feedback mechanism for trainee follow-up studies as related to quality of training.

8. Suitability of VTC training to employers' needs and employers' assessment of quality of VTC trainees; linkages to and effectiveness of the VTC to national manpower needs.

9. Survey of improved earning potential of graduates as a result of VTC training.

10 Survey of socio-economic levels of VTC applicants and trainees.

11. Utilization of the draft action program for increasing the participation rate of women in training and productive roles in the labor force.

12. Application of action program prepared by the VTC and MOL for increased participation of women in specific VTC training programs.

13. Operational roles and responsibilities in VTC organization of four (4) short-term, out-of-country training programs completed by the VTC staff.

The above items will be reviewed for applicability and completeness at the time of the evaluation with revisions to be made as agreed may be necessary.

ATTACHMENT TO ANNEX 1

ESTIMATED PROJECT FINANCIAL PLAN ($ 000)

(Economic Support Funds Grant - $ 2,125 Thousand)

PROJECT INPUTS	Cumulative/ Obligations/ Commitments as of FY1979		F.Y. 1980		Total All Years	
	AID	Grantee	AID	Grantee	AID	Grantee
Amman TTC					1060	430
Design (A&E)	60	30				
Supervision/Construction			1000	100		
Site				300*		
Contract Services					207	17
Sister School	62					
Modular Training Seminar			70	5		
Women's Study			75	12		
Participant Training	8			7	8	7
Commodities	95		755		850	
Other (Staffing, Operation of TTC)				446		446
TOTALS	225	30	1900	870	2125	900

* Denotes equivalent value

AID GRANT DISBURSEMENT SCHEDULE (FOREIGN EXCHANGE/LOCAL CURRENCY)

ITEM	Disbursements by FY ($ 000)		
	FY1980	FY1981	TOTALS
Foreign Exchange	360	705	1,065
Local Currency (Reimbursement)	160	900	1,060
TOTALS	520	1,605	2,125

BEST AVAILABLE DOCUMENT

Project Grant Agreement

Provisions Annex

Definitions: As used in this Annex, the "Agreement" refers to the Project Grant Agreement to which this Annex is attached and of which this Annex forms a part. Terms used in this Annex have the same meaning or reference as in the Agreement.

Article A: Project Implementation Letters

To assist Grantee in the implementation of the Project, A.I.D., from time to time, will issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon Project Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Project Implementation Letters will not be used to amend the text of the Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the amplified description of the Project in Annex 1.

Article B: General Covenants

SECTION B.1. Consultation. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on the progress of the Project, the performance of obligations under this Agreement, the performance of any consultants, contractors, or suppliers engaged on the Project, and other matters relating to the Project.

SECTION B.2. Execution of Project. The Grantee will:

(a) carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices, and in conformity with those documents, plans, specifications, contracts, schedules or other arrangements, and with any modifications therein, approved by A.I.D. pursuant to this Agreement; and

(b) provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and operation of the Project, and, as applicable for continuing activities, cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

BEST AVAILABLE DOCUMENT

Article B: General Covenants (Continued)

SECTION B.3. Utilization of Goods and Services.

(a) Any resources financed under the Grant will, unless otherwise agreed in writing by A.I.D., be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project.

(b) Goods or services financed under the Grant, except as A.I.D. may otherwise agree in writing, will not be used to promote or assist a foreign aid project or activity associated with or financed by a country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use. [See HB 18.]

SECTION B.4. Taxation.

(a) This Agreement and the Grant will be free from any taxation or fees imposed under laws in effect in the territory of the Grantee.

(b) To the extent that (1) any contractor, including any consulting firm, any personnel of such contractor financed under the Grant, and any property or transaction relating to such contracts and (2) any commodity procurement transaction financed under the Grant, are not exempt from identifiable taxes, tariffs, duties or other levies imposed under laws in effect in the territory of the Grantee, the Grantee will, as and to the extent provided in and pursuant to Project Implementation Letters, pay or reimburse the same with funds other than those provided under the Grant.

SECTION B.5. Reports, Records, Inspections, Audit.

The Grantee will:

(a) furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request;

(b) maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Project and to this Agreement, adequate to show, without limitation, the receipt and use of goods and services acquired under the Grant. Such books and records will be audited regularly, in accordance with generally accepted auditing standards, and maintained for three years after the date of last disbursement by A.I.D.; such books and records will also be adequate to show the nature and extent of solicitations of prospective suppliers of goods and services acquired, the basis of award of contracts and orders, and the overall progress of the Project toward completion; and

BEST AVAILABLE DOCUMENT

Article B: General Covenants (Continued)

(c) afford authorized representatives of A.I.D. the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by such Grant, and books, records, and other documents relating to the Project and the Grant.

SECTION B.6. Completeness of Information. The Grantee confirms:

(a) that the facts and circumstances of which it has informed A.I.D., or cause A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Grant, are accurate and complete, and include all facts and circumstances that might materially affect the Project and the discharge of responsibilities under this Agreement;

(b) that it will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Project or the discharge of responsibilities under this Agreement.

SECTION B.7. Other Payments. Grantee affirms that no payments have been or will be received by any official of the Grantee in connection with the procurement of goods or services financed under the Grant, except fees, taxes, or similar payments legally established in the country of the Grantee.

SECTION B.8. Information and Marking. The Grantee will give appropriate publicity to the Grant and the Project as a program to which the United States has contributed, identify the Project site, and mark goods financed by A.I.D., as described in Project Implementation Letters.

Article C: Procurement Provisions

SECTION C.1. Special Rules.

(a) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

(b) Premiums for marine insurance placed in the territory of the Grantee will be deemed an eligible Foreign Exchange Cost, if otherwise eligible under Section C.7(a).

(c) Any motor vehicles financed under the Grant will be of United States manufacture, except as A.I.D. may otherwise agree in writing.

BEST AVAILABLE DOCUMENT

Article C: Procurement Provisions (Continued)

(d) Transportation by air, financed under the Grant, of property or persons, will be on carriers holding United States certification, to the extent service by such carriers is available. Details on this requirement will be described in a Project Implementation Letter.

SECTION C.2. Eligibility Date. No goods or services may be financed under the Grant which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement, except as the Parties may otherwise agree in writing.

SECTION C.3. Plans, Specifications, and Contracts. In order for there to be mutual agreement on the following matters, and except as the Parties may otherwise agree in writing:

(a) The Grantee will furnish to A.I.D. upon preparation,

(1) any plans, specifications, procurement or construction schedules, contracts, or other documentation relating to goods or services to be financed under the Grant, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise by furnished A.I.D. on preparation;

(2) such documentation will also be furnished to A.I.D., upon preparation, relating to any goods or services, which, though not financed under the Grant, are deemed by A.I.D. to be of major importance to the Project. Aspects of the Project involving matters under this subsection (a)(2) will be identified in Project Implementation Letters;

(b) Documents related to the prequalification of contractors, and to the solicitation of bids or proposals for goods and services financed under the Grant will be approved by A.I.D. in writing prior to their issuance, and their terms will include United States standards and measurements;

(c) Contracts and contractors financed under the Grant for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Project Implementation Letters, will be approved by A.I.D. in writing prior to execution of the contract. Material modifications in such contracts will also be approved in writing by A.I.D. prior to execution; and

BEST AVAILABLE DOCUMENT

Article C: Procurement Provisions (Continued)

(d) Consulting firms used by the Grantee for the Project but not financed under the Grant, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by the Grantee for the Project but not financed under the Grant, shall be acceptable to A.I.D.

SECTION C.4. Reasonable Price. No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Grant. Such items will be procured on a fair and, to the maximum extent practicable, on a competitive basis.

SECTION C.5. Notification to Potential Suppliers. To permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Grant, the Grantee will furnish A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Project Implementation Letters.

SECTION C.6. Shipping.

(a) Goods which are to be transported to the territory of the Grantee may not be financed under the Grant if transported either: (1) on an ocean vessel or aircraft under the flag of a country which is not included in A.I.D. Geographic Code 935 as in effect at the time of shipment, or (2) on an ocean vessel which A.I.D., by written notice to the Grantee has designated as ineligible; or (3) under an ocean or air charter which has not received prior A.I.D. approval.

(b) Costs of ocean or air transportation (of goods or persons) and related delivery services may not be financed under the Grant, if such goods or persons are carried: (1) on an ocean vessel under the flag of a country not, at the time of shipment, identified under the paragraph of the Agreement entitled "Procurement Source: Foreign Exchange Costs," without prior written A.I.D. approval; or (2) on an ocean vessel which A.I.D., by written notice to the Grantee, has designated as ineligible; or (3) under an ocean vessel or air charter which has not received prior A.I.D. approval.

(c) Unless A.I.D. determines that privately owned United States-flag commercial ocean vessels are not available at fair and reasonable rates for such vessels, (1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed by A.I.D. which may be transported on ocean vessels will be transported on privately owned United States-flag commercial vessels, and (2) at least fifty percent (50%) of the gross freight revenue generated by

BEST AVAILABLE DOCUMENT

Article C: Procurement Provisions (Continued)

all shipments financed by A.I.D. and transported to the territory of the Grantee on dry cargo liners shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (1) and (2) of this subsection must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

SECTION. C.7. Insurance.

(a) Marine insurance on goods financed by A.I.D. which are to be transported to the territory of the Grantee may be financed as a Foreign Exchange Cost under this Agreement provided (1) such insurance is placed at the lowest available competitive rate, and (2) claims thereunder are payable in the currency in which such goods were financed or in any freely convertible currency. If the Grantee (or government of Grantee), by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the territory of the Grantee financed by A.I.D. hereunder will be insured against marine risks and such insurance will be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

(b) Except as A.I.D. may otherwise agree in writing, the Grantee will insure, or cause to be insured, goods financed under the Grant imported for the Project against risks incident to their transit to the point of their use in the Project; such insurance will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by the Grantee under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the Grantee for the replacement or repair of such goods. Any such replacements will be of source and origin of countries listed in A.I.D. Geographic Code 935 as in effect at the time of replacement, and, except as the Parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

SECTION C.8. U.S. Government-Owned Excess Property. The Grantee agrees that wherever practicable, United States Government-owned excess personal property, in lieu of new items financed under the Grant, should be utilized. Funds under the Grant may be used to finance the costs of obtaining such property for the Project.

BEST AVAILABLE DOCUMENT

Article D: Termination; Remedies.

SECTION D.1. Termination. Either Party may terminate this Agreement by giving the other Party 30 days written notice. Termination of this Agreement will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this Agreement, except for payment which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of this Agreement. In addition, upon such termination A.I.D. may, at A.I.D.'s expense, direct that title to goods financed under the Grant be transferred to A.I.D. if the goods are from a source outside Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of Grantee's country.

SECTION D.2. Refunds.

(a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in accordance with this Agreement, A.I.D., notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Grantee to refund the amount of such disbursement in U.S. Dollars to A.I.D. within sixty (60) days after receipt of a request therefor.

(b) If the failure of Grantee to comply with any of its obligations under this Agreement has the result that goods or services financed under the Grant are not used effectively in accordance with this Agreement, A.I.D. may require the Grantee to refund all or any part of the amount of the disbursements under this Agreement for such goods or services in U.S. Dollars to A.I.D. within sixty days after receipt of a request therefor.

(c) The right under subsection (a) or (b) to require a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.

(d) (1) Any refund under subsection (a) or (b), or (2) any refund to A.I.D. from a contractor, supplier, bank or other third party with respect to goods or services financed under the Grant, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the cost of goods and services required for the Project, to the extent justified, and (B) the remainder, if any, will be applied to reduce the amount of the Grant.

120X

BEST AVAILABLE DOCUMENT

Article D: Termination; Remedies (Continued)

(e) Any interest or other earnings on Grant funds disbursed by A.I.D. to the Grantee under this Agreement prior to the authorized use of such funds for the Project will be returned to A.I.D. in U.S. Dollars by the Grantee.

SECTION D.3. Nonwaiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

SECTION D.4. Assignment. The Grantee agrees, upon request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.