

UNCLASSIFIED

INTERNATIONAL DEVELOPMENT

COOPERATION AGENCY

AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D.C. 20523

Subactivity Paper

OMANI-AMERICAN JOINT COMMISSION

SCHOLARSHIP AND TRAINING

Project No. 272-0101.2

GRANT

1983

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT SUBACTIVITY PAPER FACESHEET		1. TRANSACTION CODE <input type="checkbox"/> A 400 <input type="checkbox"/> C CHANGE <input type="checkbox"/> D DELETE	PP 2. DOCUMENT CODE 3
3. COUNTRY/ENTITY OMAN		4. DOCUMENT REVISION NUMBER <input type="checkbox"/>	
5. PROJECT NUMBER (7 digits) <input type="text" value="272-0101.2"/>	6. BUREAU/OFFICE A. SYMBOL NE/TECH B. CODE <input type="text" value="03"/>	7. PROJECT TITLE (Maximum 40 characters) Omani-American JC Scholarship & Trng Subactivit	
8. ESTIMATED FY OF PROJECT COMPLETION FY <input type="text" value="9"/> <input type="text" value="0"/>		9. ESTIMATED DATE OF OBLIGATION (subobligation) A. INITIAL FY <input type="text" value="8"/> <input type="text" value="3"/> B. QUARTER <input type="text" value="2"/> C. FINAL FY <input type="text" value="8"/> <input type="text" value="9"/> (Enter 1, 2, 3, or 4)	

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$) -

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL						
(GRANT)	(7,300)	()	(7,300)	(31,950)	()	(31,950)
(LOAN)	()	()	()	()	()	()
OTHER U.S.						
1.						
2.						
HOST COUNTRY	3,360		3,360	14,140	9,380	23,520
OTHER COUNTRIES						
TOTALS	10,660		10,660	46,090	9,380	55,470

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE	E. 1ST FY <u>83</u>		H. 2ND FY <u>84</u>		K. 3RD FY <u>85</u>	
			C. GRANT	D. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) ESF	660	700	7,300		4,500		4,500	
(2)								
(3)								
(4)								
TOTALS			7,300		4,500		4,500	

A. APPROPRIATION	N. 4TH FY <u>86</u>		O. 5TH FY <u>87</u>		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="5"/>
	Q. GRANT	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1) ESF	4,500		4,500		31,950		
(2)							
(3)							
(4)							
TOTALS		4,500		4,500	31,950		

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

1 1 = NO
2 = YES

14. ORIGINATING OFFICE CLEARANCE		15. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION.	
SIGNATURE <i>Chester S. Bell, Jr.</i>		DATE SIGNED <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="3"/>	
TITLE Chester S. Bell, Jr. AID Representative Omani-American Joint Commission		<input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="3"/>	

TABLE OF CONTENTS

PART I Project Recommendation and Summary Description	
A. Recommendation	2
B. Summary Description	2
1. Grantee and Implementing Agency	2
2. The Grant	2
3. Project Goal	2
4. Project Purpose	2
5. Project Summary	3-4
6. Relationship to Joint Commission Objectives	4
Part II Project Description	
A. Background	4-6
1. Manpower Situation in Oman	6-8
2. Other Donor Assistance	8
3. Project Rationale	8
B. Detailed Project Description	
1. Goal	8
2. Purpose	9
Long Term Training	9-12
Short Term Training	12-13
3. Project Outputs	13
4. Project Inputs	14-15
Part III Project Analyses	
A. Social Soundness Analysis	
1. Socio-Cultural Feasibility	16-17
2. Beneficiaries	18
3. Spread Effect	18-19
4. Participation of Women	19-20
5. Social Impact	20
B. Economic Analysis	20-21
C. Administrative Analysis	21
D. Environmental Analysis	22
Part IV Financial Plan	22-23
Table I Summary Cost Estimate and Financial Plan	24
Table II Aid Cost Estimates by Type of Training	25
Table III Cost of Project Outputs/Inputs	26
Table IV Project of Expenditures by Fiscal Year	27

PART V Implementation and Monitoring

A. Administrative Arrangements	28
B. Contracting Plan	28-30
C. Evaluation and Monitoring	30

Annex A. Omani University Student Fields of Study

Annex B. Summary of World Bank Omani Manpower Assessment

Annex C. Logical Framework

Annex D. Reimbursement Amounts and Procedures

Annex E. Illustrative Commodities List

Annex F. Environmental Determination

Annex G. U.S. and Oman Government Contributions

G.1. U.S. Government Contribution

G.2. Oman Government Contribution

Annex H. Job Descriptions of Long Term Advisors

Annex I. PID Cable

Annex J. NEAC PID Review Cable

Annex K. NEAC SP Approval Cable

Annex L. Forward Funding of Participants

Annex M. Statutory Checklists Country/Project

Annex N. Subgrant Agreement

Annex O. Host Country Letter of Request

Annex P. Joint Commission Co-Chairmen Approval

Annex Q. Bibliography

Annex R. Action Memorandum and Subactivity Approval

OMANI-AMERICAN JOINT COMMISSION

SCHOLARSHIP AND TRAINING PROJECT PAPER 1/

PART I Project Recommendation and Summary Description

A. Recommendation

This project is technically, socially, administratively and economically sound and is in direct accord with the development priorities of the U.S. Agency for International Development (AID) and the Government of the Sultanate of Oman (GOVOMAN). It is, therefore, recommended that a project of \$31.95 million be approved for funding from grants to the Sultanate of Oman for economic development projects to be implemented under the auspices of the Omani-American Joint Commission.

B. Summary Description

1. Grantee and Implementing Agency

The grantee of this project will be the Government of the Sultanate of Oman. The Ministry of Education, Directorate General of Scholarships and Foreign Relations (DSFR) will be the implementing agency.

2. The Grant

This project, a seven year effort, will be a sub-project activity authorized for funding with funds granted to the Government of the Sultanate of Oman in FY 82 and subsequent years.

a. U.S. Government: \$31.95 million

b. GOVOMAN: \$23.2 million

3. Project Goal

The goal of this project is to increase the institutional capacity of Omani public and private organizations to plan and implement development programs in sectors of high priority to the Government of the Sultanate of Oman.

4. Project Purpose

The purpose of this project is to develop Omani human resources in priority fields related to national development, with emphasis on educational institutions.

1/ Throughout this document the term project has been used in lieu of subactivity.

5x

5. Project Summary

This seven year project is designed to develop Omani human resources in priority fields related to national development. A total of 1,075 Omanis will receive 1,051 years of training. Primary emphasis will be on long term training in the United States and for 100 Omanis to study for two or three year graduate (Masters or Doctorate) degrees. The first element of the project, long term training, will be carried out through the current system of selection, placement and monitoring employed by the Government of the Sultanate of Oman. A.I.D. will pay for a major share of this component using a variation of the Fixed Amount Reimbursement method (Limited Amount Reimbursement).

The second part of the project will provide short term training opportunities. One hundred Omanis will be selected for training programs averaging three months duration in the United States or other countries, such as Morocco, Tunisia, Egypt and Jordan. Training programs in Oman, averaging two weeks will be offered for 675 Omanis.

The project will focus on training Omanis who are currently employed, with the exception of those obtaining undergraduate degrees. Most of those to be trained will be government employees, but trainees from private sector organizations will also be selected. Fields of study for training will be varied and include education, agriculture, rural development, public health, administration/management, finance/accounting, engineering, statistics, economics, and law. Priority will be given to the first six fields, especially education.

The total cost of the project is \$55.5 million of which approximately \$32.0 million is from the Joint Commission and approximately \$23.5 million from the Government of the Sultanate of Oman. The Joint Commission will provide the following expenses for 1,075 Omanis: (a) \$21.53 million for the 200 undergraduate students; (b) \$5.6 million for the 100 graduate students; (c) \$1.72 million for the 100 short term trainees who will study in the U.S. or other countries; (d) \$2.3 million for the in-country training programs and (e) \$0.8 million for project evaluation and a contingency allowance. The in country training contribution includes a technical assistance team that will work with the Ministry of Education's Directorate General of Scholarships and Foreign Relations (DSFR) and other Government entities to (1) program and monitor the short term participants; (2) plan, develop and assist in conducting the in-country training program; (3) develop the institutional capacity to assess and plan both long and short term training requirements within selected GOVOMAN agencies; and (4) establish within the DSFR a data-based management information system. The Joint Commission contribution

will also provide a minicomputer and/or word processing system and training equipment and materials.

The GOVOMAN's contribution of \$23.5 million will cover (a) \$10.3 million for certain expenses of the 200 undergraduate students (mainly travel and English language); (b) \$10.6 million for costs related to 100 graduate students (mainly travel, English language training and salaries); (c) \$1.1 million for costs of the 100 short term trainees who will study outside Oman (mainly travel and salaries); and (d) \$1.5 million to support the direct and indirect in-country training costs for the 675 Omanis. Of this last figure, \$1.0 million is for Omani counterpart personnel in the DSFR and other organizations who will be working with the technical assistance team on the project.

6. Relationship to Joint Commission Objectives

This project will assist the Government of the Sultanate of Oman to meet one of its most pressing constraints to more rapid development, i.e., the shortage of skilled human resources. The trainees to be selected in the project will acquire knowledge and skills, which are in short supply in the country. This transfer of knowledge and skills will have direct short and long term impacts on Omani development plans.

The selection of trainees is designed to achieve some institutional concentration. As a result, the project will strengthen the capacity of selected Omani institutions to plan, implement and evaluate development programs. The need to improve the skills and institutional capacity within the private sector is also recognized and for this reason efforts will be made to encourage selection of both long and short term trainees from private sector organizations. The Government of the Sultanate of Oman actively supports this element of the project, as does the private sector which will assist in the identification of those to be trained.

PART II Project Description

A. Background

Modern government, economic growth and internal development of social and economic infrastructure in Oman date from 1970 with the accession to power of Sultan Qaboos bin Said. The broad program he launched to develop and modernize the country was made possible by oil revenues. The development of local human resources has been high among the priorities set for the country in his administration. Education is viewed as a prerequisite to the development of the country. Prior to 1970, formal secular education was practically non-existent. There were only three government elementary schools in the country, enrolling 900 boys. There was also a religious

ix

institute in Muscat that had 50 boys, three overcrowded and poor quality private boys' schools and one American Missionary school for foreign girls. ^{2/}

Conditions changed rapidly after 1970. The Sultan was eager to spread education as rapidly and widely as possible, and despite the lack of appropriate infrastructure, a modern educational system was launched. The primary system (6 years) was introduced in 1970-71, with preparatory schools (intermediate level, 3 years) added in 1972-73, and secondary schools (3 years) in 1973-74. The number of schools and students have increased dramatically as seen in the following table:

Table 1 Expansion of Omani School System 1969-1980 ^{3/}

	<u>1969-70</u>	<u>1974-75</u>	<u>1979-80</u>
Number of Schools - Total	3	176	363
Primary	3	163	237
Preparatory	-	11	114
Secondary	-	2	12
Number of Students - Total	909	49,229	94,823
Primary	909	48,576	83,703
Preparatory	-	571	10,177
Secondary	-	82	943

Underscoring the progress is the fact that the enrollment ratio for males in 1980-81 was about 75% at the primary level (based on enrollees in the 6-11 age group), and that for females about 40%.^{4/} The percentages are, of course, much smaller for the higher levels of schooling. The internal efficiency of the three levels is relatively high. Dropouts occur mainly between levels of education; about 20% after the primary level and some 50% after preparatory school. Much of this drop-out, however, is attributable to shortage of school

^{2/} Robin Brown, et al., Social and Institutional aspects of Oman: A Review of the Literature, Institute for Development Anthropology, 1982, p. 232.

^{3/} Government of Oman Statistical Yearbooks 1970 and 1980.

^{4/} "Manpower and Development in the Sultanate of Oman," Dr. Y. L. Ahuja and Dr. J. S. Birks, Manpower Planning Unit, Directorate of Vocational Training, Ministry of Social Affairs and Labor.

places rather than to poor student performance or to lack of desire for further education. The expansion which has occurred thus far in the education system has required an increasingly heavy dependence on foreign teachers, mainly from other Arab countries. Of the 5,663 teachers for the three levels in 1980-81 only 10.9% were Omanis. In 1975-76, Omanis constituted 14.3% of the profession.

No post secondary education is available in Oman. The government plans to open a university in 1986, with planned faculties of education, engineering, medicine, Islamic studies, agriculture and science.

Post secondary education is available to qualified Omanis through a government scholarship program. Scholarships leading to a bachelors degree from a university or other advanced educational institution abroad have up to now been made available to all students graduating from secondary school who have achieved a specified grade level and wish to continue their education. The number of scholarships has been steadily increasing as the number of secondary school graduates increases. For example, in 1974-75 there were 254 Omanis studying abroad; in 1980-81 there were 940. In 1983 there will be approximately 1200 Omanis graduating from secondary school. The courses of study are selected on the basis of fulfilling manpower needs in the country. Annex A presents fields of study for Omani university students from 1973-1981.

A student returning from studies abroad under a government scholarship is required to work in the government for an equal number of years to those for which he studied under scholarship. Thus far, there have been approximately 1,000 Omanis who have returned from studies abroad and are currently working in Oman, most of whom are in the public sector. Nearly all of these (over 90%) have been at the B.A. or B.S. level. There has not been a significant problem with non-returnees (less than .5%).

1. Manpower Situation in Oman

Notwithstanding the significant progress of the educational system since 1970, Oman will be facing for the foreseeable future a shortage of locally available manpower. In 1981 the World Bank conducted a manpower assessment study. A summary of this study as reviewed by the OMANGOV is contained in Annex B. The study was based on an assumed population of 930,000 at the end of 1980, composed of 760,000 nationals and 170,000 expatriates.

In 1980 the labor force in Oman was comprised of about 160,000 Omanis and 144,000 expatriates broken down as follows:

	<u>Omanis</u>	<u>Expatriates</u>
Rural Sector (Agriculture/Fisheries)	99,000	5,000
Modern Private Sector	36,000	123,000
Public Sector (Civil Service)	<u>25,000</u>	<u>16,000</u>
Totals	160,000	144,000

The Omani share of the labor force is only 53%, and its participation in the modern sector labor market is even lower, comprising only 30% of the modern work force of 200,000. This situation will not improve rapidly. Under the most likely economic growth rate scenario for 1981-85, the disparity between manpower requirements and the numbers and qualifications of Omani nationals entering the labor market is likely to increase. The number of Omani nationals who are economically active is forecast to rise from 160,000 to 196,800, an annual growth rate of almost 3.3%, while the manpower requirements will have increased by an annual 7.4% to 434,800 by 1985. This means a demand for an increased number of expatriates employed in the Sultanate, which is likely to rise by almost 94,000 to over 238,000 workers in 1985. The expatriate element is thus expected to comprise a majority of the work force by 1985.

Improvement in Omani participation in the modern sector will also be slow. By 1985, if the agricultural demand for labor is ignored and all Omani educational outputs were to be employed in the modern sector, the Omani share of the modern sector work force would rise only very slightly to 32%.

In the same period, the shares of various occupational skills within the expanding manpower requirements will show a considerable upgrading. The greatest rates of expansion are in the occupational groupings requiring post secondary education. An additional 9,500 professional posts requiring varying degrees of post secondary education will be generated by 1985. It is beyond the resources of Oman's education and training system to produce such large numbers of highly educated individuals in the next few years. Thus, the dependence upon expatriates will increase in the higher levels of the modern sector in which the decision making capacities of workers are vital to the national interest.

Longer term projections are also not encouraging. Under the expected economic growth rates, the requirements for expatriates will continue to increase at least until 1995 when the number of expatriate workers in Oman will approach 440,000. Even under an economic growth rate as low as 4%, Oman would not begin to reduce its stock of expatriate labor until after 1995.

Faced with this situation, the government is seeking ways of increasing the numbers of qualified Omanis to take positions in the labor force, particularly in professional and managerial ranks.

2. Other Donor Assistance

Of the nearly 1,000 Omanis currently studying at foreign colleges and universities, a sizable share (approximately 15%) are supported by scholarships from the Gulf states. The scholarships are for study in colleges and universities in the Gulf states. The French, the British and the West Germans all offer small numbers of scholarships, most of which only pay a portion of the program. For this reason the Omanis have not actively sought out these scholarships.

3. Project Rationale

Other than Egypt, the U.S. is the largest recipient of Omanis studying abroad. The Omanis studying in Egypt and the U.S. are entirely paid for by the Government of Oman or by the students themselves. The Government of Oman obviously considers the United States a suitable and desirable location for Omanis to receive training and looks forward to increasing the number of students at U.S. colleges and universities.

In addition to post secondary degree training outside the country, the government is also carrying out a small program of short term in-country and overseas training primarily designed to upgrade the skills of public sector employees. These programs are designed independently and are not in response to an overall assessment of training needs in the respective sector. In 1983 approximately 600 Omanis received government sponsored training overseas. Increasing the number of university educated Omanis and providing short term training programs for Omanis is a requirement for successful Omanization of the labor force.

B. Detailed Project Description (see also Logical Framework, Annex C.)

1. Goal

The program goal is to increase the institutional capacity of Omani public and private organizations to plan and implement development programs in high priority areas. This goal will have been attained when: (a) the Government of the Sultanate of Oman is achieving the targets it sets in its Five Year Development Plans; (b) there are improvements in the Physical Quality of Life Index (PQLI) measures; (c) the overall education level and skills of the labor force rises and (d) the Government of the Sultanate of Oman is less dependent on expatriate labor.

2. Purpose

The purpose of this project is to develop Omani human resources in priority fields related to national development, with emphasis on educational institutions. Conditions existing at the end of project, indicating that the purpose has been achieved are as follows:

- a. The long term trainees successfully complete training programs and are employed in Oman using the knowledge and skills acquired.
- b. The short term trainees apply the knowledge and skills acquired to current employment.
- c. The Ministry of Education has in place an effective, data-based management information system (MIS) for its scholarship program.
- d. The majority of returned long term trainees are concentrated in selected public and private sector organizations.
- e. Selected Ministries develop and implement training plans.

The project will provide training for up to 1,075 Omanis for a total of 1,051 person years. It consists of two major elements.

Long Term Training

The primary emphasis of the project will be to provide long term undergraduate (Bachelor) and graduate (Masters and Ph.D.) degree training in the U.S. Two hundred undergraduate and 100 graduate participants will be selected in this program component. Fields of study will include the following: education, agriculture, rural development, public health, administration/management, finance/accounting, engineering, statistics, economics, and law. Other fields will be considered if they are development related. Given the wide variety of skills in short supply, rather than permitting trainees to study in widely disparate fields, priority will be given to concentrating the majority of students in the first six areas listed above; fields which can readily show a demonstrable impact. Particular concentration in education will be emphasized under the program since the Government of the Sultanate of Oman has indicated a desire to train the teaching faculty for Qaboos University, the teacher training institutes and the adult education centers.

Selection criteria for undergraduate students are as follows: (1) Omani citizenship; (2) medical certification of good health; (3) secondary school certificate or equivalency with grade of 80% or

better; (4) age not exceeding 40; (5) adequate TOEFL 5/ score to gain entrance to an accredited U.S. college or university; (6) adequate SAT 6/ score to gain entrance to an accredited U.S. college or university; and (7) a field of study approved by the Ministry of Education and concurred in by the Joint Commission.

Selection criteria for graduate school candidates are the same as above with the following modifications: (3) undergraduate grade point average adequate to gain acceptance into an accredited U.S. graduate school; (6) adequate score on GRE 7/ or other graduate level exam 8/ to gain entrance to an accredited U.S. graduate school; and (8) current employment in an appropriate position in a public or private sector organization and adequate assurance of re-employment on completion of studies.

Joint Commission financing for all long term participants will be handled on the basis of reimbursing the GOVOMAN at certain intervals on a Limited Amount Reimbursement method. The Government of the Sultanate of Oman currently has in place an effective system for placement and monitoring of Omani undergraduate and graduate students studying in the U.S. Placement of students is handled through a contract between the GOVOMAN and the American Middle East Education and Training Services, Inc. (AMIDEAST), of Washington, D.C. Once placement has been made, the GOVOMAN's Embassy in Washington administers and monitors the program. No change in this current arrangement is required for the Joint Commission program.

The following agreements have been reached with the Government of the Sultanate of Oman for this element of the program: (1) AID will reimburse the Government of the Sultanate of Oman all allowable expenses in accord with AID regulations related to the participant's academic program, including tuition and fees, monthly maintenance allowance, transit allowance, orientation, books, typing (if applicable), thesis or doctoral allowance (if applicable), book shipment, training equipment (if applicable), and professional society membership. The maximum amount that AID will reimburse for the 300 long term trainees is \$27.13 million.

5/ Test of English as a Foreign Language

6/ Scholastic Aptitude Test

7/ Graduate Record Exam

8/ Other tests include those for entrance to business and other professional schools.

(2) The Government of the Sultanate of Oman will bear the cost of all travel and all English language training. (3) The Government of the Sultanate of Oman at its discretion may provide student benefits over and above those provided by AID. (For further details of reimbursement amounts and a sample form for reimbursement, see Annex D.)

Criteria to be met for the Joint Commission to approve reimbursement by A.I.D. to the Government of the Sultanate of Oman are based on students (1) showing adequate progress toward completing their degree in the allotted time (undergraduates - 4 years, MA/MS - 2 years, Ph.D. 3-4 years) with a C (2.0) or better grade point average (GPA) for undergraduates and a B (3.0) or better GPA for graduates; (2) staying in the academic field for which they were selected or, if desiring to change fields, obtaining prior approval from the Ministry of Education, with the concurrence of the Joint Commission; and for the last year of study, (3) obtaining a degree, returning to Oman and being employed in public or private sector organizations in a field related to the degree obtained. A.I.D. will make payments to the GOVOMAN annually, based on documentation approved by the Joint Commission.

The GOVOMAN's policy for returned students is that they must work a period of time equal to their stay abroad. The Ministry of Education will apply this policy to the participants in this program.

The Directorate General of Scholarships and Foreign Relations (DSFR) of the Ministry of Education will implement the project. The DSFR currently handles all Omanis studying abroad. On an annual basis, the DSFR will publicize the availability of training opportunities to appropriate entities. These will include ministries, quasi public organizations (Port Qaboos, Oman Mining Company, etc.), the Omani Chamber of Commerce and Industry and Qaboos University. Interested persons will make applications to the DSFR who will review and select candidates based on agreed selection criteria. The Joint Commission will concur in the final selection. The DSFR will make all necessary arrangements for the required testing of candidates.

Technical assistance will be provided to the DSFR to (1) establish an effective program for administering all required tests (TOEFL, SAT, GRE, etc.); (2) establish a data based management information system to track all Omanis' study abroad; (3) develop the procedures for submission to the Joint Commission of documentation for obtaining reimbursement for student expenditures, and (4) develop appropriate evaluation and follow-up procedures.

The Ministry of Education has agreed to include candidates for long term training from the private sector. Publicizing the program

11

through the Chamber of Commerce and Industry and other organizations should result in a reasonable number of applicants from the private sector.

Short Term Training

- ▷ The second major component of the project is short term training for persons in public or private organizations who require additional job-specific education. As a result of the Government's desire to rapidly place Omanis in jobs in the public sector, it is not uncommon for people to be placed in jobs for which they require more training. Since most of these persons cannot leave their jobs for extended periods of time, short term training is a feasible way of upgrading the skills of these employees.

Under the project it is anticipated that up to 100 Omanis from public and private sector organizations will participate in short term training programs, averaging three months either in the U.S. or in third countries. These programs could include programs at U.S. universities, industries, and other organizations which provide training (e.g. U.S. Department of Agriculture, U.S. Department of Labor, Arthur D. Little) as well as on-the-job training or observation visits. For those Omanis whose English language skills are not adequate, either an interpreter will be provided if the cost is warranted (most likely for a group of participants) or appropriate training will be identified in Arabic speaking countries (e.g. Egypt, Morocco, Tunisia, Jordan, and possibly Lebanon) where Omanis are currently studying.

The other element of the short term training component will consist of in-country training programs averaging two weeks for up to 675 Omanis in public and private sector organizations. Various organizations currently provide short term training for their employees. The skills taught in these programs are diverse and cover a wide range of areas. The Central Bank, for example, has developed several courses to upgrade the skills of other organizations also provide in-country training programs.

In-country courses under this project will attract relatively large numbers of participants (averaging between 10-20), be conducted in Arabic, and address some of the more generalized training needs which will be identified in the training plans to be developed under the project. Although no formal needs analysis has been carried out, courses in budgeting, financial analysis and management, planning, administration, project design and implementation, evaluation, language (English and Arabic), and clerical skills are among the topics which would be appropriate for in-country training courses. Since the training plans to be developed will identify topics for in-country training, the number of courses to be offered is expected to increase as the project continues.

At present, training requirements in Oman are largely determined by each Ministry; there is no attempt made to determine if the programs offered by one Ministry could help serve the needs of another Ministry. Short term training programs are usually single efforts that have not been developed in the context of an overall training strategy for the institution. The short term training component of this project will be developed to assist various public and private organizations to more systematically plan and implement training programs.

A technical assistance team, working with the DSFR, will help design comprehensive training plans for selected institutions, ministries, and/or departments. The entities for which training plans will be developed will be selected according to the priority development fields previously specified and the interest they show in carrying through a training program. The development and implementation of comprehensive training plans will provide a concentrated focus of training which should produce significant effects on the efficiency and capabilities of the agencies involved.

Initially, two or three entities will be selected with the concurrence and participation of the DSFR. The technical assistance team will work with members of the institutions, departments or ministries to assess their training needs. A general upgrading of the human resource skills of the entire organization will be the aim of the training plan which will recommend training at all levels deemed necessary, i.e., long term, short term; academic, non-academic. When the training plans are developed, they will serve as a guide for the selection of long term degree participants to meet the country's institutional development requirements.

Project Outputs

The following table summarizes project outputs including the number of Omanis completing training, for the life of project:

Table 2 PROJECT OUTPUTS

<u>Outputs</u>	<u>Years Achieved</u>							<u>Total</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	
1. 200 Undergraduates				50	50	50	50	200
2. 100 Graduates		10	10	20	20	20	20	100
3. 100 U.S./T.C. Short Term	10	10	10	10	20	20	20	100
4. 675 In-Country Short Term		50	75	100	150	150	150	675
Total Omanis Trained	<u>10</u>	<u>70</u>	<u>95</u>	<u>180</u>	<u>240</u>	<u>240</u>	<u>240</u>	<u>1,075</u>
5. Data-Based Management Info System for Scholarship Administration in DSFR		1						1
6. 5 Training Plans Developed for Selected Organizations		1	2	2				5

Project Inputs

The following table summarizes project inputs for the life of project:

Table 3 PROJECT INPUTS

<u>Inputs</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>TOTAL</u>
<u>Long Term Participants</u>								
200 Undergraduate Starts	50	50	50	50				200
100 Graduate Starts	10	10	20	20	20	20		100
<u>Short Term Training</u>								
100 U.S. & T.C. Participants	10	10	10	10	20	20	20	100
675 In-Country Trainees		50	75	100	150	150	150	675
TOTAL	<u>70</u>	<u>120</u>	<u>155</u>	<u>180</u>	<u>190</u>	<u>190</u>	<u>170</u>	<u>1,075</u>
<u>Technical Assistance</u>								
2 Long Term Advisors (96 person months)								
Manpower Development Specialist	12	12	12	12				48
Training Specialist	12	12	12	12				48
TOTAL	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>				<u>96</u>
50 person months Short Term Consultants - Specialists in Various Fields								
	<u>4</u>	<u>10</u>	<u>6</u>	<u>6</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>50</u>
<u>Equipment</u>								
Training Equipment, Supplies Materials, Minicomputer/Word Processor (\$500,000)	\$100	80	80	80	80	80		\$ 500,000

The table of project inputs above shows for the long term participants new starts into academic studies. For the undergraduate students, a year of English language training provided by the GOVOMAN precedes the beginning of academic studies. For the graduate students, the first class selected will be required to have English ability sufficient to go right into graduate school. Each further class will be provided English language training as for the undergraduates.

Technical assistance will be provided to assist in the implementation of both the long term and short term training components of the project.

Two long term advisors (a manpower development specialist and a training specialist) will be provided under the project for 48 person months each. The long term advisors, working with the DSFR and the other Omani entities will: (1) assist the DSFR in selecting organizations for which training plans will be developed; (2) work with the selected entities to evaluate

12

training needs; (3) assist in the design of at least five training plans which include all levels of education and training; (4) arrange for the execution of the training plans by (a) placing and sending trainees to courses in the U.S. or third countries, (b) planning and organizing courses in Oman, (c) bringing short term consultants to carry out in-country short term training programs and identify future need for in-country courses; (5) disseminate information on short term training opportunities available in the U.S. and third countries to appropriate Omani organizations; (6) locate appropriate courses in the U.S. and third countries when requested by interested parties; (7) help the DSFR, the Joint Commission, and Ministries involved to evaluate the effectiveness of short term training programs and revise training plans according to recommendations of the evaluation report; (8) assist the DSFR in establishing and operating a data-based management information system (MIS) for its scholarship program; (9) assist the DSFR to develop effective procedures for submission of documentation to the Joint Commission for reimbursement of expenditures; (10) assist the DSFR in implementing an orientation program for departing participants; (11) help the DSFR establish a follow-up program for returned participants including but not limited to publishing a directory of returned participants and conducting exit interviews with returned participants; and (12) assist the DSFR in establishing a system for administering all appropriate tests required for admission to U.S. colleges and universities.

Fifty months of short term consultants will primarily be responsible for designing and carrying out in-country training programs.

It is anticipated that a U.S. education/training firm will be selected as the contractor for technical assistance. The firm will be expected to have significant experience in the Middle East and must be capable of providing two long term advisors with Arabic language capability. Most of the short term consultants will also be expected to have Arabic Language capability.

The contractor will also procure \$500,000 worth of commodities required for the project. These include: a minicomputer/word processor and appropriate software for use by the DSFR to operate the data-based MIS and training equipment and materials to be used in carrying out the in-country training programs. An illustrative list of the materials to be procured is contained in Annex E.

PART III Project Analyses

A. Social Soundness Analysis

1. Socio-Cultural Feasibility

The Development Training Project will be promoting one of the goals of Oman's Second Five Year Development Plan: "to attach high priority to the development of local human resources, and to improve their capability to contribute to the national economy." The basic elements of the project are an extension and expansion of the GOVOMAN's own education and training programs. The government provides scholarships for post-secondary education abroad, sends personnel overseas, including to the U.S., for short-term training, enrolls personnel in courses conducted by private organizations and by the British Council in Oman, and employs hundreds of expatriate advisors and consultants. The project is, thus, not introducing new methods into Oman and, therefore, should be compatible with the present system.

As for graduate degree studies, all fellowship recipients shall have studied abroad in earning their first degree, and will be acquainted with life outside Oman. The relatively large numbers of students sent to the United States (approximately 500 since 1974), and the fact that only the most qualified are sent there, both indicate the regard Oman has for U.S. education and the GOVOMAN's familiarity with it. In this project, the DSFR will select the schools and programs (based on agreed selection criteria) and arrange for placements through the existing arrangement with AMIDEAST, all in accordance with established government procedure.

One potential problem in sending students for long term studies abroad, especially for undergraduates, is that they may become too attuned to a lifestyle different than that in their home country. This has been observed among some Omanis who have returned from four or five years abroad, particularly those who studied in the U.S. The extent of this should be minimized in this project because all students will return to Oman once a year during the summer vacation, a recently instituted GOVOMAN policy. Also, the government's policies of requiring two years of government service between receipt of an undergraduate degree and return for a graduate degree shall be observed in this project.

Another problem commonly associated with participant training relates to non-returnees. This has not been a problem in Oman. The government, through its embassies overseas, directly monitors participant programs. Historically, of the approximately 1,000 Omanis who have studied abroad in the last ten years nearly all have returned. The non-return rate is less than .5%. The DSFR in making all arrangements of student programs requires a commitment for

198

repayment of all costs by the student's family and Wali ^{9/} in case of non-return. This requirement has proven very effective in assuring students return.

There should not be any difficulty in meeting the number of students who have been projected for undergraduate or graduate training. The number of secondary school graduates is sufficiently large to accommodate the number of trainees projected in the project. Even though Qaboos University is scheduled to open in 1986 there should be sufficient numbers of students who will need to go overseas to study. In the event that there are insufficient undergraduate candidates, more graduates will be sent.

Projections for graduate degree fellowships have been based on considerations of the numbers of students graduating from colleges in the next two years and estimates of the numbers of Omanis already holding undergraduate degrees. There is no indication as to how many of these are desirous of furthering their education and/or of doing so in the United States.

The English language requirement may limit the number of qualified candidates. Although most Omanis who returned to Oman with degrees after Sultan Qaboos came into power have a reasonably good command of English, about two-thirds of those presently going for post-secondary educations study at universities and colleges in Arabic speaking countries. Allowance has been made for up to 12 months of English training in order to permit all long term training candidates unable to meet the required TOEFL score but otherwise qualified to be accepted into the program.

The English language capability requirement may present more of a problem in the case of short term overseas trainees. Some of those needing training are Omanis who speak little or no English. In some cases, where several non-English speaking Omanis are interested in the same short term training program, the costs of an interpreter may be justified. In other cases, it is anticipated that suitable programs may be found in other Arabic speaking countries.

Since the requirements for selecting long term trainees are basically those already being used by the government, it is not anticipated that there will be any difficulty in attracting students to the program. As a way of giving recognition to the program, each overseas participant will be informed of his being awarded an Omani-American Joint Commission sponsored scholarship.

^{9/} Local village leader.

2. Beneficiaries

Among the direct beneficiaries of the project are the participants and trainees. They shall receive additional education or training which should help them to perform their work more effectively and may allow them to earn more pay. In the case of the long-term participants, an immediate improvement in their career opportunities is a likely outcome.

Other direct beneficiaries are the agencies in which those trained will work, since new ideas and skills of the employees should lead to more effective and productive institutions. In order to facilitate the trainees' return to their jobs, the DSFR, working with the technical assistance contractor, will develop a brief program for trainee supervisors which will sensitize the supervisors to the expectations of the returned participant. Similarly, as part of follow-up efforts, a brief re-orientation program will be developed to assist the participant in reassuming his job responsibilities. The results of this training effort should promote the value of training as an important element in a career development system.

The indirect beneficiaries will be all Omanis. The more efficient operation of offices, departments, and businesses from which employees have received training will bring improved services to the Omani population at large. Since the training emphasis is on priority development fields, the improvement in staff capabilities should translate into better management of development activities in Oman. Training in education, agriculture, rural development and public health should be particularly beneficial to the rural population as a result of improved programs.

3. Spread Effect

The institutions, departments, and ministries for which a training plan is designed and implemented will benefit from a general improvement in staff capabilities. The improved operations of an agency will have a varied influence on other portions of the society depending on its role. For example, a training plan for the Directorate General of Educational Development, a possible institution to be selected, should have direct results on the ability of the personnel to plan school curricula, evaluate weaknesses in the education system, determine where and what schools are needed, etc. Such changes will in the long term affect the entire school system and, thus, all students. Similarly, training in the Directorate General of Agriculture should result in improved ability to plan and implement projects. Improved agricultural programs and services could affect large portions of the rural population which make up the majority of Omanis.

The actual spread effects that occur from this project will depend upon the specific agencies for which training plans are developed and the results obtained from the implementation of these plans. However, if the training is effective in developing new skills and introducing new ideas, and if the returnees are sufficiently motivated to put their new knowledge and skills to use, dissemination of the effects should be widespread and lead to similar efforts in a larger number of institutions.

4. Participation of Women

Oman is one of the few countries in the Arab world where women are actively encouraged to take jobs and play a significant part in the country's development. Women are a potentially important labor resource, and, in view of Oman's acute labor shortage, the Sultan has made a policy of integrating women into the work force. There are women in the police, armed forces, and civil service as well as the private sector. However, the numbers of women working are relatively small, mainly due to the relatively small number of educated women.

A high percentage of educated women work, so that as education for females becomes more widespread a significant increase in the work force can be anticipated. Women earn equal wages, profit from special provisions regarding maternity, and are given equal opportunities for positions except in the highest levels which require a lot of public exposure.

The percentage of males to females in the school system was about two to one in 1980-81, which is a dramatic improvement over 1970 when there were no schools for females. The percentage of females to males decreases as the level of education rises. Females were 34% of primary school students, 25% of preparatory and secondary school students, and 21% of students studying abroad for post-secondary education. Places in preparatory and secondary schools are limited, and there is a preference for having males continue their education. There are preparatory and secondary schools for girls, though, and the awarding of post-secondary scholarships to women, as well as men, demonstrates the government's commitment to educating females. The obligations of early marriage are probably the greatest restraint on women continuing their education beyond the secondary level.

The Joint Commission Scholarship and Training Project will encourage the participation of women. In the case of graduate degree fellowships, a proportion of women to men as high as that of those studying for undergraduate degrees (21%) probably cannot be achieved
will be more

by spouses, the spouses, should they meet selection criteria considered for undergraduate, graduate, or short term traini

The percentage of women in the labor force is unknown. Oman constitute 6% of Omanis in the Civil Service, but the percen women in the highest salary grouping within the Civil Servic 9% of Omanis, an indication that it is the educated women wh working. The Joint Commission Scholarship and Training Proj encourage the training of women in both the long and short t components.

5. Social Impact

One of the major social impacts of the project will be that preparing or assisting Omanis to perform effectively in posi which would otherwise require a trained expatriate. Assisti to capably conduct their own affairs will raise the self-est only of those so trained, but of the national population as more Omanis replacing foreigners. Although Oman has a high of foreign workers (47% of the labor force in 1980 which is to increase to 55% by 1985), the eventual reduction of the n expatriates will be an economic and social necessity. The J Commission Scholarship and Training Project will help prepar to continue the smooth operation of their own affairs as the expatriates is eventually reversed.

Another major impact of the project will be the improvement services and programs in the areas emphasized by the project education, agriculture, rural development, public health, administration/management, and finance/accounting. It is an that the concentrated training in departments and institutio a role in these fields should have a significant effect upon delivery of various services.

B. Economic Analysis

The project is an institution building effort that does not lend to traditional economic analysis. The increased efficiency of t trained employees should result in greater productivity, reducir numbers of employees and/or employee hours to be paid, and in mc careful and cost-effective planning and implementation of develc projects. It was not possible to measure such benefits. The pr cost-effective in that the training is job specific and will be appropriately designed to meet the trainees' needs.

In a country which is so reliant on expatriates in the labor for
number

2/1

all levels, the training of Omanis to fill the higher level, and thus higher paid, positions will result in an economic savings to the country as well as putting the country in a better position to manage its own affairs. The major drain on the positive trade balance for Oman is private transfers, mainly remittances from foreign workers. Reductions in salaries paid to expatriates (by replacing them with Omanis, or by training Omanis to occupy the higher salary levels) will result in a stronger current account balance for Oman.

C. Administrative Analysis

Meeting the project input targets will depend a great deal upon the effectiveness of project administration - the ability to attract applicants, process the applications and select the best qualified candidates, identify or develop training programs that meet the needs, make arrangements for placement and participation, monitor participants' progress, and follow-up after their return to evaluate the success and effectiveness of the training.

Administration of the undergraduate and graduate degree training element of the program will be by the DSFR of the Ministry of Education. The DSFR administers the government scholarship program for post-secondary studies which granted 455 scholarships for the 1982-83 school year. Its extensive experience in administering the government's scholarship program testifies to its capability to handle the relatively small numbers of fellowship recipients for this project. The Government of the Sultanate of Oman contracts with AMIDEAST to arrange placements in the U.S.; additional placements from this project can be included in their contract with AMIDEAST.

Short term training will also be administered by the DSFR with technical assistance provided by a consultant firm to be contracted by the Commission at the commencement of the project. As stated in the project description, the technical assistance will be provided to assist in the preparation of training plans, assist in the selection of candidates, and handle U.S. and third country placements, as well as to help develop, organize and conduct the in-country courses. The home office of the firm will assist in placement and monitoring of the short term U.S. participants and will recruit the short term advisors who will come to Oman for the in-country training programs. The need for a technical assistance firm is based on the fact that the staff of the Omani-American Joint Commission is too small to handle project administration and because there is only limited experience in short term training within the country.

In order to have an effective short term training element in the project, central planning is essential. This will be the task of the DSFR with the help of technical assistance team. It is anticipated that by the end of four years the DSFR's staff will be capable of continuing the program.

D. Environmental Analysis

The project's planned activities will not have an effect on the natural and physical environment. The project is consistent with AID environmental procedures 2.6.2(C)(1)(i) and 216.2(C)(2)(i), respectively, which categorically exclude training programs from any further environmental action. (The NE Bureau's Environmental Determination is contained in Annex F.)

PART IV Financial Plan

The total project cost is \$55.5 million, of which approximately \$32.0 million from U.S.A.I.D. and approximately \$23.5 million from the Government of the Sultanate of Oman (GOVOMAN). The U.S. contribution will cover foreign exchange costs associated with long and short term training conducted outside Oman, and technical assistance and equipment primarily associated with short term in-country training. The technical assistance team will be responsible for procuring a minicomputer/word processor for the DSFR, training aids and materials. For a detailed break-down of the U.S. contribution see Annex G.1.

Travel costs, English language training, salaries of participants and Omani project personnel, and local currency costs associated with in-country training will be borne by the GOVOMAN. The GOVOMAN will also pay any additional allowances granted to students according to their regulations in excess of those permitted by AID.

Disbursements for all long-term training will be made on a Limited Amount Reimbursement basis. The GOVOMAN on an annual basis will submit to the Joint Commission documentation supporting costs for long term participants. A.I.D., after approval by the Commission, will annually reimburse the government based on the government's certifying that the student is making satisfactory academic progress in his approved field. Reimbursement for the final year will be paid only after the student returns to Oman and begins working in a job related to his degree. The Joint Commission will approve certification submitted by the government that the participant has fulfilled the conditions for final reimbursement.

Payments for short term overseas training will be handled through the technical assistance contractor.

The Omani contribution of 42% of project costs is not anticipated to cause any budgetary problems for the government. The government annually spends approximately \$12.0 million on long term overseas training. The net annual increase in funds required for this project is relatively small and should not present any difficulties. Starting in the fifth year the DSFR and other agencies will be hiring additional personnel required for implementing the project. These increased personnel costs should also pose no difficulties for the government. For a detailed breakdown of the GOVOMAN's budget for the project, see Annex G.2.

Table I presents a summary cost estimate and financial plan.

Table II contains cost estimates by type of training.

Table III provides a costing of project outputs.

Table IV estimates annual expenditures.

TABLE I
SUMMARY COST ESTIMATE AND FINANCIAL PLAN

FY 83 - FY 89

(US \$ Million)

SOURCE	JOINT COMMISSION ^{1/}		GOVOMAN		TOTAL	
	FX	LC	FX	LC	FX	LC
<u>Use</u>						
Long Term Training	27.15 ^{2/}	-	5.8	-	32.95	-
Short Term Training	1.75 ^{3/}	-	-	-	1.75	-
Participant Travel	-	-	4.6	-	4.6	-
Participant Salaries & Benefits (including those above AID levels)	-	-	3.7	8.4	3.7	8.4
Technical Assistance (including commodities)	2.3	-	-	-	2.3	-
Project Evaluation/Monitoring	.2	-	-	-	.2	-
Salaries Omani Personnel	-	-	-	1.0	-	1.0
Contingency (approximately 2%)	.6	-	-	-	.6	-
TOTAL	32.0	-	14.1	9.4	46.1	9.4

^{1/}Funds provided in annual grant by the Agency for International

Development to the Omani-American Joint Commission.

^{2/}Average cost of \$20,000/year with a 10% inflation factor/year and assumes a 12 month year.

^{3/}Average cost of \$4,000/month with a 10% inflation factor/year and assumes a 3 month duration.

FX - Foreign Exchange LC - Local Currency (Omani Rials)

TABLE II

AID COST ESTIMATES BY TYPE OF TRAINING

COST COMPONENT	PERSON YEARS (est.)	NO. OF PARTICIPANTS (est.)	COST (U.S. \$)
Long Term	1,000	300	27,130,000
Short Term	53	775	<u>1,720,000</u>
SubTotal			28,850,000
TA			2,300,000
Monitoring/Evaluation			200,000
Contingency			600,000
Total			31,950,000

OBLIGATION PLAN

FY 83	\$ 7,300,000
FY 84	4,500,000
FY 85	4,500,000
FY 86	4,500,000
FY 87	4,500,000
FY 88	4,500,000
FY 89	2,150,000

56

TABLE III

COST OF PROJECT OUTPUTS/INPUTS

(U.S. \$ Millions)

PROJECT INPUTS	PROJECT OUTPUTS ^{1/}						TOTAL
	1	2	3	4	5	6	
	Under-grads	Grads	US/TC Short Term	I-C Short Term	Data Based MIS	Training Plans	
AID ^{2/}	21.5	5.6	1.7		3.2		32.0
GOVOMAN	10.3	10.6	1.1		1.5		23.5
Total	31.8	16.2	2.8		4.7		55.5

^{1/} Includes Inflation

^{2/} Includes evaluation and contingency - \$800,000

US/TC - U.S. and Third Country Short Term Training

I-C - In-Country Short Term Training

TABLE IV

PROJECTION OF EXPENDITURES BY FISCAL YEAR

(U.S. \$000)

FY	JC	GOVOMAN	TOTAL
83	2,100	3,360	5,460
84	3,170	3,590	6,760
85	4,890	4,350	9,240
86	6,860	4,100	10,960
87	6,130	3,890	10,020
88	5,060	2,630	7,690
89	3,140	1,600	4,740
Contingency	600		600
Total	31,950	23,520	55,470

PART V Implementation and Monitoring

A. Administrative Arrangements

The Ministry of Education's Directorate General of Scholarships and Foreign Relations will have overall responsibility for implementation of the project. The Ministry is currently operating a scholarship program using AMIDEAST to place students in U.S. institutions and the Oman Embassy in Washington to monitor their progress. The scholarship students financed by the Joint Commission Scholarship and Training Project will be programmed through this system. The only significant departure is that the DSFR will be required to submit documentation to enable the Joint Commission to confirm that each new student selected for sponsorship under the project meets the selection criteria contained in the project description. The DSFR will submit vouchers for reimbursement of costs on an annual basis to the Joint Commission for each student satisfactorily progressing and, in the last year, completing his studies.

The short term training component will be the responsibility of the DSFR, other agencies and the technical assistance contractor. Working with the contractor the DSFR will help identify those agencies which are interested in developing training plans. The plans will serve as the basis for determining short term overseas and in-country training and will also impact on the selection of long term trainees.

The technical assistance contractor will be responsible for reporting all long and short term participants to AID's Office of International Training, so that these participants are entered into the AID participant training data base.

The contractor will also handle all arrangements for paying for the short term training. The commodities to be procured under the project will be the responsibility of the contractor. Source and origin for goods will be the U.S.

Project implementation and monitoring of the Commission inputs will be the responsibility of the U.S. Representative to the Joint Commission. It is not anticipated that significant assistance will be needed from AID/W during project implementation.

B. Contracting Plan

An AID direct contract is recommended for the technical assistance input. This recommendation is based on the fact that the Ministry of Education has not had similar types of contracts in the past. The Joint Commission's experience with host country contracts for two other projects has proven to be so time consuming that Commission staff could not handle another such contract in the near future. The use of an AID direct contract should permit faster procurement.

The Ministry of Education will participate in the review of contractor's proposals and selection. It is anticipated that the RFP will be evaluated in Washington.

Prior to the preparation of the PP, NE/TECH reviewed potential candidates who are likely to bid on this project. There does not appear to be a shortage of qualified firms which could provide the services required for the project. It was not felt that there were any 8a or small business firms with the experience necessary to implement the project. In selecting the contractor to implement the project, additional weight will be given to the contractor who proposes the best plan for using 8a and small business firms to complement their their own staff abilities to implement the project.

The contractor will be responsible for procurement of \$500,000 of commodities. Since a significant share of the educational and training materials for the in-country training programs will need to be in Arabic and these materials are not readily available in Omen or the U.S. A source origin waiver is requested for up to \$200,000 of commodities from Geographic Code 899 countries. The likely sources include Egypt, Lebanon and Saudi Arabia. The waiver is justified on the basis of Handbook 1B, Ch. 5B4a(2), that "the commodity is not available from countries or areas included in the authorized geographic code."

The precise sequencing and detailed dates for major project events is not yet known. However, a tentative implementation schedule is presented below.

IMPLEMENTATION SCHEDULE
Schedule of Major Events

<u>EVENTS</u>	<u>ACTION AGENT(S)</u>	<u>PROJECT MONTH</u>	<u>COMPLETION DATE</u>
PP Submitted to AID	AID		2/83
PP Approved & Authorized	AID		3/83
Project SubGrant Agreement Signed	JC/MOE	1	4/83
First PIL Issued	JC	1	4/83
RFP for TA Contract Issued	JC	2	5/83
Contract Awarded	AID	5	8/83
First group of long term participants depart (done on an annual basis through year 6)	MOE	5	8/83
First group of short term participants depart (done periodically through year 7)	MOE/Contractor	10	1/84
First Training Plan Developed	MOE/Contractor	17	8/84
Data Based MIS in place in DSFR	MOE/Contractor	20	11/84
First In-Country Training Program (repeated periodically through year 7)	MOE/Contractor	20	11/84
Second Training Plan Developed	MOE/Contractor	23	2/85
Third Training Plan Developed	MOE/Contractor	26	5/85
First Evaluation	JC/MOE/Contractor	29	8/85
Fourth Training Plan Developed	MOE/Contractor/Other Institution	35	2/86
Fifth Training Plan Developed	MOE/Contractor/Other Institution	38	5/86

Mid-Term Evaluation	JC/MOE/Contractor	53	8/87
Final Evaluation	JC/MOE/Contractor	77	9/89

C. Evaluation and Monitoring

The Government of the Sultanate of Oman with the collaboration of the Joint Commission agrees to establish an evaluation program for both the long term and short term components of the project. The evaluation will take place at three stages: an initial evaluation after 29 months, a mid-term evaluation, and a final evaluation. The evaluations will focus on: (1) assessing progress toward achieving the project purpose, (2) identifying problem areas or constraints which may inhibit such attainment and recommending solutions, and (3) evaluating, to the degree feasible, the overall developmental impact of the project.

All overseas participants will upon their return routinely complete a questionnaire to be used in evaluating the success of the training program. For long term trainees, the questionnaire will be in English and will also serve as a demonstration of the participant's English language skills. For short term overseas trainees who do not have adequate English language skills, an Arabic translation of the questionnaire will be available. Another questionnaire will be developed and administered to the in-country trainees.

The administration of the questionnaires for the long term trainees will be the responsibility of the DSFR. The technical assistance contractor, working with the respective government entity involved in short term training, will be responsible for administering the questionnaire to short term trainees.

After completion of the training programs, studies will be conducted periodically with samples of trainees to attempt to answer the following:

- (1) Did the training accomplish the purpose intended by the institution?
- (2) Has the institution been made more efficient or effective as a result of the training? In what ways?
- (3) Is there any evidence of improvements in the sectors where training participants are employed?

Routine monitoring of the long term participants will be the responsibility of the Government of the Sultanate of Oman. Monitoring of short term participants will be the responsibility of the technical assistance contractor. The Joint Commission will be kept apprised of participant progress on a periodic basis.

ANNEXES

ANNEX A

**SUMMARY OF CUMULATIVE TOTALS OF OMANI STUDENTS IN UNIVERSITIES ABROAD BY
YEAR AND FIELD OF SPECIALIZATION (1973/74 - 1976/77)**

	Years							
	73/74		74/75		75/76		76/77	
	No.	%	No.	%	No.	%	No.	%
Medicine	22	8.67	30	8.26	50	13.37	51	10.02
Pharmacy	4	1.57	5	1.38	5	1.34	4	0.79
Engineering	50	19.68	35	9.64	96	25.67	143	28.09
Science	10	3.94	4	1.10	8	2.14	21	4.13
Agriculture	4	1.57	6	1.65	10	2.66	12	2.36
Arts	42	16.54	34	9.37	34	9.09	51	10.02
Law	4	1.57	23	6.34	13	3.48	13	2.55
Commerce	51	20.08	49	13.50	42	11.23	66	12.97
Economics	15	5.91	24	6.61	43	11.50	56	11.00
Other Faculty	52	20.47	153	42.15	73	19.52	92	18.07
Total	254		363		374		509	

ANNEX A (cont'd.)

SUMMARY OF CUMULATIVE TOTALS OF OMANI STUDENTS IN UNIVERSITIES ABROAD BY
YEAR AND FIELD OF SPECIALIZATION (1977/78 - 1980/81)

Field of Study	YEARS							
	77/78		78/79		79/80		80/81	
	No.	X	No.	X	No.	X	No.	X
Medicine	61	10.20	66	9.50	55	6.76	62	6.27
Pharmacy	2	0.33	2	0.29	3	0.37	3	0.30
Engineering	151	25.25	140	20.14	159	19.53	181	18.30
Science	21	3.51	40	5.76	82	10.07	54	5.49
Agriculture	8	1.34	7	1.00	5	0.61	15	1.52
Arts	62	10.37	56	8.06	66	8.11	98	9.91
Law	15	2.51	13	1.87	13	1.60	24	2.43
Commerce	101	16.89	141	20.29	146	17.94	207	25.99
Economics	58	9.70	62	8.92	92	11.30	65	6.57
Other Faculty	119	19.90	168	24.17	193	23.71	230	23.26
Total	598		695		814		989	

World Bank Summary Report

Manpower Report 1/82

MANPOWER AND DEVELOPMENT

IN THE SULTANATE OF OMAN

By

Dr. Y. L. Ahuja & Dr. J. S. Birks
Manpower Planning Unit

Under the direction of Ali Hassan Ali
Director General of Vocational Training.

Directorate of Vocational Training
Ministry of Social Affairs & Labour
Sultanate of Oman

CONTENTS

1. Development Planning in Oman.
2. An Initial Labour Market Forecast.
3. The Structure of the Analysis.
4. The Education and Training System.
5. Manpower Requirements under the Second Five Year Development Plan.
6. Comparison of Supply and Demand - Growing Non-National Employment.
7. Longer Term Non-National Employment (1986 - 1995).
8. Some Major Issues.
9. Conclusion

Author's Note

A brief document dealing with such a large facet of development planning obviously leaves open questions, and raises issues, rather than providing solutions. It does, however, serve the purpose of informing policy-makers and commentators in a general way. It should also stimulate debate over some of the less obvious consequences of economic development. The members of the Manpower Planning Unit are happy to provide further details about the projections to Government Officials, and to discuss any questions raised by the report.

PREFACE

Manpower Planning is generally considered as: the process of determining present and future manpower requirements, and developing education and training programmes to meet these needs. This simple definition of manpower planning hides a complex process. The assessment and projection of manpower demand and supply, evaluation of alternative courses of action, and specification of human resource development plans based on assumptions about the future course of events is a difficult process. In fact, planning for the development of human resources is one of the most challenging tasks facing planners. Human resources development has a far reaching impact upon the overall economic growth of a country, as well as on individual organizations and departments. The results of action programmes are not seen immediately; there is a considerable time lag. Moreover, the actual execution of plans for human resources takes time, during which the initial assumptions underlying the plan might change. Lastly, manpower planning has to consider the expectations and motivations of populations and their workforces.

Manpower planning should, therefore, be not considered a mere estimation process of the number of workers required, but a complete system of analysis and decision making, governing all facets of future labour market administration. Manpower planning acts, therefore, at various levels, from the national (where the problem is of producing men and women with appropriate skills to match the requirements of the economy), to the institutional and departmental level (where staff have to be matched with objectives and profitability), and the individual (individuals have to obtain suitable opportunities for employment).

In the Sultanate of Oman, interest in manpower planning is further stimulated by the severe shortage of skilled and qualified manpower generated by economic growth, as well as the need to raise the quality and improve the effectiveness of labour force. The Second Five Year Development Plan has incorporated human resources development in the planning process. However, the complexity and magnitude of the planning effort needed for human resources development requires technical capacities beyond the capabilities of a single planning agency. Its success will depend upon the development of a cooperative and coordinated effort by all concerned institutions.

Against this background, a Manpower Planning Unit, within the Directorate General of Vocational Training, Ministry of Social Affairs and Labour, was established in 1982, with the Technical Cooperation of the World Bank. The purpose of the Manpower Planning Unit is to facilitate awareness of the manpower implications of economic growth, and encourage the planning of human resources development in the Sultanate of Oman. The rapid - though uneven - economic growth of the past decade presents a challenge which is exacerbated by severe shortages of national manpower. Despite the unprecedented expansion of the education and training system, economic development has thus far been facilitated largely through imported labour and expertise. Thus the ultimate purpose of the Manpower Planning

Unit is to help plan for the optimal development of Omani human resources, facilitating the maximum participation of Omanis in the development of the Sultanate.

This paper represents the first of a series of reports which will be produced by the Manpower Planning Unit. By projecting requirements for the many extra workers needed under the Second Five Year Development Plan, this paper demonstrates the need for and background to systematic planning of a human resources development in the Sultanate. The paper is based upon an initial report on the labour market implications of the Second Five Year Development Plan prepared under the Technical Assistance agreement between the Ministry of Social Affairs and Labour and the World Bank. The main contributors to the World Bank report were J. S. Birks and R. M. Durstine who received valuable assistance from B. B. Krishna, J. A. Socknat, A. R. Taha, S. Archondo, M. Fowler, M. Pemmarazu and D. McGinnis. Thanks are due to Mr. J. A. Rimmer for commenting on a draft. Secretarial assistance provided by Messrs. Naik Mohammad and Don Nihal Kuruppu is gratefully acknowledged.

MANPOWER AND DEVELOPMENT IN
THE SULTANATE OF OMAN

1. Development Planning in Oman

Modern economic development in Oman began in 1970, following the accession of the present Sultan, Qaboos bin Said. Modernization and development was facilitated by oil revenues, and coordinated by a Development Council. The First Five Year Development plan (FFYDP) represented a development strategy, aiming at diversification of the economy through: (1) development of new sources of national income to complement and ultimately replace oil revenues; (2) increasing investment in revenue earning projects; (3) development of infrastructure and national manpower resources; and (4) improvement of the civil service.

The Second Five Year Development Plan (SFYDP), issued in 1980, aims primarily to diversify the economic base through increased investments in the productive sectors, while expanding further infrastructure and public services. The private sector is to be assisted to promote production in agriculture, fisheries, industry, mining and traditional handicrafts. The SFYDP sets the following broad financial objectives: (1) to preserve the sound and stable financial position of the country; (2) to control inflation; and (3) to establish a general reserve fund. In addition, for the first time, "a reasonable size of the labour force" is mentioned as a possible limiting factor to economic growth.

As a result of concern at the labour market implications of rapid economic growth, the Omani Government requested the World Bank to assist in the development of a Manpower Planning Unit in the Directorate General of Vocational Training in the Ministry of Social Affairs and Labour.

2. An Initial Labour Market Forecast

The World Bank, through the new Manpower Planning Unit, has evaluated the workforce implications of the SFYDP. This labour market assessment was to:

- a) show the labour force and population implications of the investment programme embodied in the SFYDP; and
- b) to raise important labour, economic, educational and general planning issues which derive from this assessment.

The purpose of this Manpower Report is to give some indication of the results of this assessment of the SFYDP, in a brief and non-technical manner, and to highlight some of the main issues for consideration amongst planners and commentators in the Sultanate.

3. The Structure of the Analysis

The manpower assessment has been an ambitious technical undertaking. The available information has been used to the fullest.

Reasonable assumptions have been introduced where the information has not been directly available. The principle method of analysis has been a computer model which converts detailed information regarding economic factors, education system performance, and labour force characteristics into projections of future conditions regarding manpower supply and demand.

The detailed results which arise must be evaluated with care. The projections must therefore not be interpreted in terms of their precise detail, but rather as indications of trends and order of magnitude. As such they provide a reliable indication of the nature of and change in the work force resulting from the Government's expenditures under the Second Five Year Development Plan. The results certainly serve well to illustrate the broad policy issues which Omani planners will have to face as development proceeds.

The development plan is best thought of, for this analysis, as government expenditure which results in requirements for goods and labour, and thereby brings about economic growth. Here we are concerned with the labour demand resulting from the massive government expenditures.

The nature of this analysis is as follows. The requirements for workers which results from economic growth are calculated. These calculations have been carried on to the year 1995. The labour requirements are worked out by economic sector (industry - agriculture, government, manufacturing, etc.) and occupational level (skilled, technician level, and professional, for example).

Separately, the supply of workers to the labour force is also calculated for each year up to 1995. The numbers of qualified workers among the new entrants to the workforce are calculated by reference to the growth of numbers of graduates from the Education and Training System (ETS) of the Sultanate (and by adding in the numbers who are receiving training abroad).

These annual supply and demand figures are then compared. The excess of requirements of workers in the economy over the supply of workers from the education system is presumed to represent the need for additional workers who may be imported into Oman.

One extra consideration is the population size of the Sultanate. Here, two estimates are considered, to give a range of results. As a larger figure, the estimate of 1.5 million total population is used. A figure of just under 1 million (total) population is used to be representative of the other end of the spectrum of estimates.

Curiously, the size of the population used does not have much impact upon the calculations of the number of non-nationals required during the duration of the Second Five Year Development Plan (up to 1985-86). This is because the most important workforce entrants - those who are qualified - are produced by the Education and Training System, which (until full enrollment is attained) can be projected independently of the population size. As the projections move on towards 1995, the population figure becomes more important a consideration.

4. The Education and Training System and the Supply of Workers

The term ETS is used here to encompass the full range of education and training activities, from general schooling, specialized institutes and vocational training programmes, through the post-secondary education and the full range of on-the-job training and adult education schemes. The number and the qualifications of the individuals produced by the ETS ultimately depend on all aspects of its facilities, staff and programs.

Even though the growth of the Omani ETS has been impressive, it has not yet neared the capacity needed to satisfy the economic and social demands of Oman for education and training, especially at the post-primary levels. The concern with supplying qualified manpower suitable for the demands of the labour force comprises a large part of the present report.

In terms of the proportions of the relevant age groups in school, the estimates of population size do make a significant difference. Using the high total population estimate of 1.5 million the corresponding 1980/81 primary level enrollment rate is about 40 percent. The picture using the smaller population estimate (a total population of approaching one million), is as follows: The enrollment rate for males in 1980/81 is about 75 percent at primary level (based on enrollees in the 6-11 age group). The enrollment rate for girls has also reached an impressive level of some 40 percent, but is still lower than that for boys. At higher levels of schooling, there has also been substantial enrollment growth, though of course the numbers lag behind those in primary schools.

Thus, the level of coverage of the general schooling system has grown remarkably over the past decade, but continued growth of the ETS is essential to accommodate population increases, and to meet the needs for specialist and post-primary education. In terms of both capital outlay and recurrent expenditure, planners should not underestimate the future considerable costs of the education system.

Even during rapid growth, the Omani ETS was characterized by high internal efficiency (in terms of the fraction of enrollees in each course sequence who complete that sequence). However, qualitative aspects of the ETS must also be attended to: the provision of suitable curricula, facilities, equipment, textbooks and instructional materials being dealt with, in a constructive fashion. Most crucially, the importance of teacher training to the development of education in Oman has been recognized and given high priority. These efforts aim to reduce the degree of dependence on foreign teachers in the Sultanate, but achieving a completely Omani teaching staff is extremely unlikely within the 15 year horizon of this report.

Primary school enrollments grow by 8 percent annually during the Plan period, general preparatory school enrollments by 10 percent annually and secondary level enrollments of all kind by 36 percent annually. Higher education shows a correspondingly rapid annual increase of 23 percent in enrollees during the SFYDP. However school outputs - as entrants into the workforce - grow surprisingly slowly during the period of the SFYDP. Most students are held within the System as it expands.

5. Manpower Requirements under the Second Five Year Development Plan

The manpower requirements stem from the growth of the economy after consideration of the likely productivity gains to labour in each sector. In aggregate terms, under the most likely economic growth rates, (agreed with the Technical Secretariat of the Development Council in 1981) for the 1980 to 1985 period, the overall manpower requirements for the Omani economy are calculated to increase from 304,000 to 435,000, if the small (about one million) population figure is considered. If the 1.5 million population estimate is used, then manpower requirements rise from 459,000 in 1980 to 580,000.

This increase in manpower requirements exceeds the growth of the national workforce of the Sultanate, which during the period of the SFYDP is likely to be about 3.0 percent annually. Even under projections based on lower rates of economic growth, the needs of the economy for additional workers far exceed the numbers that can be provided by the Omani ETS.

This shortfall is emphasised if the occupational composition of the increase in manpower requirements is considered. Over the Plan period, the occupational mix of manpower requirements biases upwards towards those with greater skill and qualification. As a result, despite the outputs of the ETS, the deficit between projected supply of and demand for professional and skilled manpower increases. This is hardly surprising, in view of the fact that economic growth under the Second Five Year Development Plan generates a requirement of almost 10,000 university graduates. Despite the past achievements of the Omani ETS, the challenge faced by education system planners remains great.

6. Comparison of Supply and Demand-Growing Non-National Employment

During the Plan period, 1981-85, the annual rate of expansion of the Omani national workforce will be slow (at about 3.3 percent) because of the expansion of the ETS, which delays the entry of young Omanis into the workforce. After the Plan period, the number of nationals entering the workforce will increase significantly, as ETS outputs grow.

In the case of the most costly (in both money and time) occupational level, that of technically qualified professional manpower, the demand increases over the Plan period by about 700 each year. The supply of Omanis of this level increases by only 100 annually, despite the efforts mounted to redress the shortages of national manpower at this occupational level. The shortfall of technically qualified professional manpower rises from 4,800 to 8,100 between 1980 and 1985.

For the Plan to be implemented, this and similar deficits must be made up by imports of non-national workers.

The reliance upon non-nationals increases at all occupational levels, between 1980 and 1985, except in the case of semi-skilled office

workers. Of particular significance is the increasing dependence upon non-national workers in technician, skilled and semi-skilled manual occupations. Only 19.3 percent of skilled manual workers may be Omani by 1985.

Overall, the Omani share of the workforce, which was 53 percent in 1980, is projected to fall to 45 percent by 1985, if the small population figure is considered. If the 1.5 million population figure is considered, the Omani share of 68 percent in 1980 declines to 63 percent in 1985.

It is important to consider in which part of the economy the non-nationals work. If agriculture is excluded from the assessment (leaving the modern sector only), the pattern looks very different. In 1980, Omani nationals accounted for only 30 percent of employment in the modern sector. This proportion falls slightly during the Plan period; reliance upon non-nationals in the modern sector is pervasive and continuing.

The disposition of Omanis within the modern sector also gives cause for concern. Omani nationals are increasingly employed in sectors which they consider desirable. These preferred sectors are public administration, banking and finance, services, and wholesale and retail trade. The result of these preference patterns among new labour market entrants is that numbers of Omanis working in manufacturing and construction decline between 1980 and 1985. By 1985, only 9 percent of the workforce in manufacturing is likely to be Omani. This is significant because manufacturing is the sector upon which the future of the Sultanate's economic diversification depends. Omani planners therefore have a special interest in the success of this sector and more so the Omani participation in it. There are, in fact some reasons for optimism in respect of manufacturing. Scholarship department figures show that the engineering field is a very popular one with Omanis who are going abroad to study. These future graduates will provide a valuable and growing resource for the future of Omani manufacturing, provided they take employment closely related to their specialisation.

7. Longer Term Non-National Employment (1986-1995)

The planners must realize that the manpower implications of the successful economic implementation of the SFYDP will remain with the Omani society and economic for a considerable number of years after the Plan period. A decision to implement the SFYDP fully will result in a stock of some 238,000 non-national workers in Oman by 1985. These non-nationals will amount to about 55 percent of the total workforce of the Sultanate.

These 238,000 non-national workers will also, in 1985, be accompanied with a number of their dependents who will have moved to the Sultanate. A conservative estimate of the total number of non-nationals living in Oman in 1985 is 285,000. The number of non-nationals could easily exceed 300,000.

Under the most likely post-SFYDP economic growth rates, Oman will remain a net importer of non-national labour until after 1995, when

the number of non-national workers in Oman will approach 440,000, (small population figure). Imports are only slightly reduced if calculations are based upon the large population figure of 1.5 million.

Oman's reliance upon non-nationals must not be considered short-term and temporary. To do so is to invite unrealistic planning, which would exacerbate the very problem which Omanis least want to become deep-rooted.

8. Some Major Issues

On the basis of the analysis carried out for this report, a number of issues related to economic growth and manpower development have been identified. This first manpower Report stresses the issues which pertain to the labour market, and its relationships with economic growth. Future reports will deal with significant issues in Education and Training, and other aspects of human resource development problems in the Sultanate. The general issues arising from this paper are listed below:

The Rate of Economic Growth. The future numbers of non-national workers depend principally upon the rate of economic growth and, to a slightly lesser extent, upon productivity gains within the economy. There is a direct connection between the rate at which the economy grows and the number of non-national workers imported. One of the chief aims of the proposed Manpower Planning Unit within the Ministry of Social Affairs and Labour is to demonstrate the manpower implications of various strategies and rates of economic growth: the faster the rate of growth, the larger the number of non-nationals who will be imported into the Sultanate.

Expansion of the ETS. The most critical problem facing development of the ETS in Oman is the provision and retention of a cadre of qualified teachers to meet the needs of the rapidly growing system over the coming years. By 1985, using the 1980/81 figure of one teacher for 25 students, the required primary school teaching force (exclusive of supervisors, headmasters, and other professional support personnel) will approach 5,000. This compares with some 300 presently employed Omani primary school teachers plus about 1,050 expected to graduate by the end of the Plan period. At the preparatory and secondary levels, the situation is also severe. The teacher requirements there are forecast as 1,400 and 500 respectively in 1985/86, but only small numbers of Omanis will be trained to teach at these levels before 1985.

The Dimension of Social Demand. This report presumes that the ETS will function to fill the need for trained Omanis for employment in the workforce. But individual wishes often do not correspond in kind or in number to those needs. Many students prefer to pursue arts courses, rather than take scientific or technical courses. If these choices are allowed to shape the ETS, then graduates will be less well suited to the needs of the workforce, and even more non-nationals will be required than has been projected here.

The Role of Vocational Training. Care should be taken to ensure that such training be appropriate in its content at the most

suitable educational level, that it not be perceived as "second class education" (this can be avoided partly by providing advanced vocational training options), and that its outputs be directed to and accepted by appropriate areas of the workforce. The teaching of English is an important issue here, as it is in the ETS as a whole.

The Cost of the ETS. The rapidly growing capital and current expenditures will constitute a considerable financial burden in the future. However, investment in human capital is one of the highest priorities for the Sultanate. Investment expenditure on human resources development is one of the surest ways of facilitating economic development whilst minimizing social costs and not conflicting with the long-term social aims of the country.

Omanis in the Labour Market. Omanis are markedly under-represented in their own modern sector, the workforce of which is 70 percent non-national. The continued presence of a large share of the Omani national workforce in an inefficient agricultural sector raises questions of income distribution, economic and labour market dualism, and optimum utilization of indigenous resources. Yet, rapid further movement of manpower out of the rural sector might prejudice adversely the chances of the sector's success under the SFYDP investment programme. The development of agriculture is a national priority. Therefore, care must be taken to ensure that labour market and economic planning are not mutually contradictory.

Employment Preferences and Disposition of Omani National Workers. Omanis of intermediate and lower skill levels are showing an increased tendency to seek regular employment in office occupations, especially within certain sectors perceived as "desirable" by labour market entrants. This leaves other sectors - especially manufacturing and construction - heavily dependent upon non-nationals. The tendency of Omani nationals at intermediate skills levels to move out of the private sector as a whole is being accentuated by public sector salary policy. There is also a tendency for private sector employers to favour non-nationals, so making private sector employment even less attractive to the majority of Omanis. Thus, for Omani nationals, modern sector employment is tending to cluster in the public sector and, to a lesser extent, in some of the "more desirable" sector-occupational cells of the private sector. Such trends are of concern because they lead to domination of some crucial sectors by non-nationals.

Non-Nationals in the Labour Force. Although the number of non-nationals imported depends primarily upon the achieved rate of economic growth, other factors are significant, most notably: productivity of labour (nationals and non-nationals); the disposition of national workers throughout the workforce; the upgrading of the skill blend of Omani nationals and non-national workforce; and the extent and nature of participation of women in the workforce. All these should become part of everyday economic and labour market planning in the Sultanate.

Omani International Labour Emigration. Omani national workers remain in employment outside the Sultanate. These workers might be

encouraged further to take a more active role in the domestic development of Oman, as they have skills and modern sector experience. To a certain extent, these expatriate Omani workers, if employed within the Sultanate, could displace a number of non-national workers.

The Nature of the Non-National Workforce. International competition for labour in the Arab region means that the optimal skill blend of non-national workers for the Omani economy might not be available. This makes the monitoring of productivity even more important. Planners must watch with care to ensure that Oman's domestic development not be prejudiced negatively by shortage of skills on the international labour market.

Non-National Populations in the Sultanate. Non-national workers frequently wish to take dependents to their country of employment. The non-national workers living in the Sultanate have, as yet, brought few, because of their high turnover and the strict regulations on immigration. In 1980, nearly 144,000 non-national workers were accompanied by about 26,000 dependents in Oman. This is an unusually low ratio of dependents to economically active workers. In all other labour importing countries in the region, there is a higher ratio of dependents to each non-national worker. In Oman by 1985, if the ratio of dependents to workers remains the same, then there will be a non-national community totalling 285,000. This, however, must be considered a conservative estimate, because there will be increased pressures from non-nationals to bring their dependents into the Sultanate. Though there is no reasonable doubt that the non-national workers will continue to make a substantial net contribution to the economy, a probable total community of 300,000 or more non-nationals will have considerable impact on the Sultanate both in terms of the economic cost of infrastructural requirements and, more importantly, in terms of their social and political influence. Remittances to the non-nationals' countries of origin represent another obvious cost to the Omani economy of employing non-national labour. But remittances have little social or political effect, and so are one of the least significant costs under present circumstances.

9. Conclusion

The issues pertaining to the labour market are deeply interlocked and are also closely linked to other facets of economic development. Care, subtlety, extra information, flexibility and determined action are all needed to ensure that economic growth, the labour market and the associated non-national population are together directed towards the long term interests of the Sultanate. The immediate desire for rapid economic growth should not be allowed to obscure the fact that the impact of policy and decisions made today (which affect the number and types of non-nationals) will still be significant in 20 years time. The dependence upon non-national workers is long-term, as is clearly shown by the projections in this manpower assessment. To suggest that the problem is short-term is not realistic and invites damaging policy decisions. The benefits of rapid economic growth over the next few years, should not be allowed to overshadow the long-term results of importing large amounts of labour during the Second Five Year Development Plan period. The economic

planners of Oman will need to develop alternative growth scenarios and examine the manpower implications of each, in order to choose that which is perceived as providing the best compromise between an acceptable pace of economic growth and a rate of increase of the non-national workforce that is not so rapid as to be deleterious to the wider aims of Omani development.

* The enrollment rate is the proportion of children of school age who are actually in school, expressed as a percentage.

** The difference between the 304,000 and 459,000 workforce figures for 1980 is accounted for by different estimates of the number of rurally employed Omani nationals.

*** This number includes graduates in technology, arts and sciences, and others with equivalent qualifications. The answer to the problem of producing graduates is not simply the building of the University, for the problem then becomes one of ensuring sufficient secondary graduates of good quality to provide students for the University.

PROJECT DESIGN SUMMARY

LOGICAL FRAMEWORK

OMANI-AMERICAN JOINT COMMISSION SCHOLARSHIP & TRAINING PROJECT
272-0101.3

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><u>Goal:</u></p> <p>Increase institutional capacity of Oman public and private organizations to plan and implement development programs in sectors of high priority.</p>	<p><u>Measures of Goal Achievement:</u></p> <ol style="list-style-type: none"> 1. GOVOMAN achieving Five Year Development Plan targets 2. Improvements in PQLI measures. 3. Increased educational levels of work force. 4. Reduction of dependence on foreign labor. 	<ol style="list-style-type: none"> 1. Evaluation of Development Plan Achievements 2. Gov't statistics 3. Gov't statistics 4. Gov't statistics 	<p><u>Assumptions for achieving Goal Targets:</u></p> <p>GOVOMAN continues to pursue policy of Omanization of Civil Service. Minimum loss due to brain drain.</p>
<p><u>Project Purpose:</u></p> <p>To develop Omani human resources in priority fields related to national development, with emphasis on educational institutions.</p>	<p><u>Conditions that will indicate purpose has been achieved. End of project status.</u></p> <ol style="list-style-type: none"> 1. Long term trainees successfully complete training programs, and are employed in Oman using knowledge and skills acquired. 2. Short term trainees applying knowledge and skills acquired to current employment. 3. Ministry of Education has in place an effective data based management information system for scholarship program. 4. Majority of returned long term trainees concentrated in selected public and private sector organizations. 5. Selected Ministries developing and implementing institutional training 	<ol style="list-style-type: none"> 1. JC and Ministry of Education records 2. JC and Ministry of Education and other Ministry records 3. Observation of Ministry of Education operations 4. JC and Ministry of Education and other Ministry records 5. JC and Ministry of Education and other 	<p><u>Assumptions for achieving purpose:</u></p> <p>Participants return to Oman after completing training programs.</p>

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS																																																															
<p>Outputs:</p> <p>1. 200 trained Omanis with U.S. undergraduate degrees employed in public and private sector jobs.</p> <p>2. 100 trained Omanis with U.S. graduate degrees employed in public and private sector jobs.</p> <p>3. 100 Omanis complete short term training courses in U.S. & T.C.</p> <p>4. 675 Omanis complete short term in-country training courses.</p> <p>5. Data based management information system in place in Ministry of Education for scholarship program.</p> <p>6. Plans for training developed by selected Ministries.</p>	<p>Magnitude of Outputs: (by project year)</p> <table border="1"> <thead> <tr> <th></th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> <th>7</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td></td> <td></td> <td></td> <td>50</td> <td>50</td> <td>50</td> <td>50</td> <td>200</td> </tr> <tr> <td>2.</td> <td>10</td> <td>10</td> <td>20</td> <td>20</td> <td>20</td> <td>20</td> <td></td> <td>100</td> </tr> <tr> <td>3.</td> <td>10</td> <td>10</td> <td>10</td> <td>10</td> <td>20</td> <td>20</td> <td>20</td> <td>100</td> </tr> <tr> <td>4.</td> <td>50</td> <td>75</td> <td>100</td> <td>150</td> <td>150</td> <td>150</td> <td></td> <td>675</td> </tr> <tr> <td>5.</td> <td>1</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1</td> </tr> <tr> <td>6.</td> <td>1</td> <td>2</td> <td>2</td> <td></td> <td></td> <td></td> <td></td> <td>5</td> </tr> </tbody> </table>		1	2	3	4	5	6	7	Total	1.				50	50	50	50	200	2.	10	10	20	20	20	20		100	3.	10	10	10	10	20	20	20	100	4.	50	75	100	150	150	150		675	5.	1							1	6.	1	2	2					5	<p>1. Ministry of Education reports</p> <p>2. Ministry of Education reports</p> <p>3. Ministry of Education and other reports</p> <p>4. Ministry of Education and other reports</p> <p>5. Observation Ministry of Education</p> <p>6. Observation Ministry of Education and other Ministries</p>	<p>Assumptions for achieving outputs:</p> <p>Students learn adequate English language skills.</p> <p>Omani organizations release long and short term employees for training.</p>
	1	2	3	4	5	6	7	Total																																																										
1.				50	50	50	50	200																																																										
2.	10	10	20	20	20	20		100																																																										
3.	10	10	10	10	20	20	20	100																																																										
4.	50	75	100	150	150	150		675																																																										
5.	1							1																																																										
6.	1	2	2					5																																																										
<p>Inputs:</p> <p>Omani Participants</p> <p>200 undergraduate candidates</p> <p>100 graduate candidates</p> <p>100 short term overseas trainees</p> <p>675 short term in-country trainees</p> <p>Technical Assistance</p> <p>96 months long term advisors (2)</p> <p>50 months short term consultants</p> <p>Commodities</p> <p>Training equipment, supplies, materials, minicomputer</p>	<p>Implementation Target (type & quantity)</p> <p>See project budget</p>	<p>1. Grantee records</p> <p>2. AID Project records</p>	<p>Assumptions for providing inputs:</p> <p>Adequate numbers of qualified trainees.</p>																																																															

REIMBURSEMENT PROCEDURESDiscussion

The method of reimbursement to be used for this project is a variation of the fixed amount reimbursement procedures. For the purpose of this project the reimbursement procedure is called "limited amount reimbursement." This variation was developed because a fixed amount of reimbursement for a year of long term training cannot be determined at this time. The amount will be determined by the levels of participant benefits set annually by A.I.D. The costs to be reimbursed include tuition and fees, a monthly maintenance allowance, books, typing costs associated with papers, a thesis or dissertation allowance, book shipment, training equipment, and professional association membership. The tuition and fees and monthly maintenance allowances are the largest components and vary considerably depending on the institution at which the student is enrolled.

Tuition and fees will be reimbursed completely by the project grant funds. Maintenance costs (living allowance) will be reimbursed according to the amounts fixed annually by A.I.D. for each school for each month the student is in the U.S.A. Other costs to be reimbursed follow. These amounts will be revised during the life of the project whenever A.I.D. sets a new level.

Transit status (1st year only)	\$ 50/day for 30 days = \$1500
Books	35/mo. enrolled in school
Thesis	300
Dissertation	800
Typing of Academic Papers	Up to 200/year
OR Typewriter Purchase	\$ 200 in lieu of future typing allowances
Training Equipment	Up to 300/year
Shipment of Printed Materials	120/program
Professional Association Membership/Journals	Up to 250 for 3 years commencing in final year
Orientation Program at Washington International Center	325

The total amount to be reimbursed may vary considerably as illustrated by the following two cases. For two first year students attending Columbia and Auburn Universities for a full time program on a twelve month basis in 1982, the Oman Government would have been reimbursed as follows:

	<u>Columbia University</u>	<u>Auburn University</u>
Tuition (academic year)	\$ 7,258	\$ 720
Summer Session Tuition	2,088	240
Transit Allowance (1 month)	1,500	1,500
Maintenance (11 months)	6,655	5,720
Other Costs ^{1/}	<u>1,245</u>	<u>1,245</u>
Total	<u>\$ 19,416</u>	<u>\$ 10,095</u>

Procedures

The Joint Commission will provide the DSFR and the Directorate General of Finance the schedule of A.I.D. allowance rates on an annual basis. Once a student is selected in accordance with the agreed selection criteria for Commission sponsorship and enrolled in a U.S. institution the GOVOMAN will determine the level of expenses to be reimbursed from the Commission grant funds. Annually, the Government will submit for each student who successfully completed an academic year a "Reimbursement for Education Expense" form along with a copy of the student's transcript showing courses and grades received to the Commission for reimbursement. To successfully complete an academic year a student must receive enough credits each year to allow him to graduate in the period of time allowed in the scholarship. In the case of the final year of studies, the Government will furnish a statement as to where the student is now employed, reimbursement being contingent upon placement in a position requiring the education.

^{1/} Books (\$35 x 12 = \$420), typing or typewriter (\$200), Equipment (\$300), Orientation at WIC (\$325).

ILLUSTRATIVE COMMODITIES LIST

1. Minicomputer/word processing data system, accessories	\$ 50,000
2. 5 Overhead Projectors, 5 Slide Projectors, 5 Screens	10,000
3. 3 Video Recording Studios	45,000
4. Print materials including programmed instruction modules for forty subject areas	200,000
5. Pre-recorded video cassettes for forty subject areas	50,000
Contingency	<u>145,000</u>
	<u>\$ 500,000</u>

memorandum *MB*

272010

DATE: November 20, 1981

REPLY TO
ATTN OF: NE/PD/PDS, Stephen F. Lintner, Bureau Environmental Coordinator

SUBJECT: OMAN - Development Training Sub-project Identification Document
(272-0101) - Environmental Clearance

TO: NE/TECH/HRST, Barry Heyman, Project Chairperson

I have reviewed the Sub-project Identification Document submitted for the proposed project and concur that it be given a "Negative Determination" in compliance with the requirements of 22 CFR 216, "A.I.D. Environmental Procedures."

cc: GC/NE, M. Kleinjan
Joint Commission/Muscat, G. Towery,
Environmental Officer

SUMMARY OF CONTRIBUTIONS

Summaries of the projected yearly requirements for U.S. and Oman Government funds are given below.

(Thousands of U.S. Dollars)
Project Year

U.S. GOVERNMENT	1	2	3	4	5	6	7	TOTAL
Undergraduate Scholarships	1,000	2,200	3,630	5,320	4,390	3,220	1,770	21,530
Graduate Scholarships	200	440	730	1,060	1,170	1,290	710	5,600
Short Term Training	120	130	150	160	350	390	420	1,720
Technical Assistance	280	400	320	320	160	160	160	1,800
Equipment	500							500
Evaluation			60		60		80	200
Contingency							600	600
TOTAL U.S. Government	<u>2,100</u>	<u>3,170</u>	<u>4,890</u>	<u>6,860</u>	<u>6,130</u>	<u>5,060</u>	<u>3,740</u>	<u>31,950</u>
OMAN GOVERNMENT								
Undergraduate Students	2,390	1,780	2,170	1,570	1,170	780	390	10,250
Graduate Students	780	1,560	1,890	2,210	2,210	1,310	660	10,620
Short Term Training	190	250	290	320	510	540	550	2,650
TOTAL Oman Government	<u>3,360</u>	<u>3,590</u>	<u>4,350</u>	<u>4,100</u>	<u>3,890</u>	<u>2,630</u>	<u>1,600</u>	<u>23,520</u>
TOTAL PROJECT COSTS	<u>5,460</u>	<u>6,760</u>	<u>9,240</u>	<u>10,960</u>	<u>10,020</u>	<u>7,690</u>	<u>5,340</u>	<u>55,470</u>

ANALYSIS
U.S. GOVERNMENT CONTRIBUTION

Scholarships and Short Term Training Costs

Funding of scholarships is based on an average of \$20,000 per year per student for both undergraduate and graduate education. A 10 percent annual inflation is also calculated in the figures. Short term training figures based on \$4,000 per month per student assume an average program length of 3 months.

Thousands of U.S. Dollars
Project Year

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>TOTAL</u>
<u>Undergraduate Scholarships</u>								
Number of Students ()	(50)	(100)	(150)	(200)	(150)	(100)	(50)	(200)
Costs in \$ 000s	<u>1,000</u>	<u>2,200</u>	<u>3,630</u>	<u>5,320</u>	<u>4,390</u>	<u>3,220</u>	<u>1,770</u>	<u>21,530</u>
<u>Graduate Scholarships</u>								
Number of Students ()	(10)	(20)	(30)	(40)	(40)	(40)	(20)	(100)
Costs in \$ 000s	<u>200</u>	<u>440</u>	<u>730</u>	<u>1,060</u>	<u>1,170</u>	<u>1,290</u>	<u>710</u>	<u>5,600</u>
<u>TOTAL for Scholarships</u>	<u><u>1,200</u></u>	<u><u>2,640</u></u>	<u><u>4,360</u></u>	<u><u>6,380</u></u>	<u><u>5,560</u></u>	<u><u>4,510</u></u>	<u><u>2,480</u></u>	<u><u>27,130</u></u>
<u>Short Term Training</u>								
Number of Students ()	(10)	(10)	(10)	(10)	(20)	(20)	(20)	(100)
Costs in \$ 000s	120	132	145	160	351	387	425	1,720

217

Technical Assistance Cost Estimates

Two long term advisors will work in the Directorate General of Scholarships and Foreign Relations for the first four years of the project. Costs of these advisors were estimated at \$100,000 per person per year.

Fifty months of short-term consultant services will be contracted over the life of the project. The costs of these services were estimated at \$20,000 per person per month.

Thousands of U.S. Dollars
Project Year

Technical Assistance	1	2	3	4	5	6	7	TOTAL
Long-term Advisors (person-years) \$100,000 per person-year	(2) 200	(2) 200	(2) 200	(2) 200				800
Short-term Consultants (person-mths) \$20,000 per person/month	(4) 80	(10) 200	(6) 120	(6) 120	(8) 160	(8) 160	(8) 160	1,000
Equipment*	<u>500</u>	—	—	—	—	—	—	<u>500</u>
TOTALS	<u>780</u>	<u>400</u>	<u>320</u>	<u>320</u>	<u>160</u>	<u>160</u>	<u>160</u>	<u>2,300</u>

* See "Illustrative Commodities List," Annex D

59

ANALYSIS OF
GOVERNMENT OF THE SULTANATE OF OMAN
CONTRIBUTION

The Government of the Sultanate of Oman's contributions to the project can be grouped into two broad categories. The first involves net increases to the government's budget. It consists of: (1) English language training costs for undergraduates and graduates; (2) travel costs for undergraduates, graduates and short term trainees studying outside the country; (3) the salaries of two new employees to be hired in the DSFR, one in year three and the other in year four; and finally, (4) student allowances and benefits paid by the Government of the Sultanate of Oman which are not included in AID reimbursements. The second category of Government of the Sultanate of Oman contributions relates to existing budgetary commitments and includes: (1) salaries of Government of the Sultanate of Oman personnel in the DSFR and other entities who will work with the technical assistance team, and (2) salaries paid to the long and short term trainees while they are in training.

Summary of Government of the Sultanate of Oman Contributions

A summary of Government of the Sultanate of Oman contributions making the distinction between costs representing increases to the budget and ongoing costs is presented below:

(Thousands of U.S. Dollars)
Project Year

	1	2	3	4	5	6	7	TOTAL
Costs Increasing Budget								
Undergraduate Students	2,390	1,780	2,170	1,570	1,170	780	390	10,250
Graduate Students	280	560	640	710	710	310	160	3,370
Short Term Training	50	50	80	90	150	150	150	720
TOTAL Budget Increases	2,720	2,390	2,890	2,370	2,030	1,240	700	14,340
Ongoing Budget Costs								
Salaries-Graduate Students	500	1,000	1,250	1,500	1,500	1,000	500	7,250
-Short Term Partic.	60	100	120	130	240	240	240	1,130
-Counterparts in DSFR	80	100	90	100	120	150	160	800
TOTAL Ongoing Costs	640	1,200	1,460	1,730	1,860	1,390	900	9,180
TOTAL Oman Government Costs	3,360	3,590	4,350	4,100	3,890	2,630	1,600	23,520

Analysis of Oman Government Contribution (continued)(Numbers of Participants)
Thousands of U.S. Dollars

Project Year

Short Term Training	1	2	3	4	5	6	7	TOTAL
Overseas Training	(10)	(10)	(10)	(10)	(20)	(20)	(20)	
Travel - RT @ \$4,200	42	42	42	42	84	84	84	420
Extra Benefits	10	10	10	10	19	19	19	97
Omani Counterparts in DSFR			(1)	(2)	(2)	(2)	(2)	
Salaries @ \$25,000 & \$18,000			25	43	43	43	43	197
<u>Total Budget Increases</u>	<u>52</u>	<u>52</u>	<u>77</u>	<u>95</u>	<u>146</u>	<u>146</u>	<u>146</u>	<u>714</u>
Salaries of Participants								
Overseas @ \$25,000/year	62	62	62	62	125	125	125	623
In-Country @ \$18,000/year		38	56	75	112	112	112	505
Counterpart Salaries								
Full-Time DSFR Staff	80	80	80	80	80	80	80	560
Part-Time Salaries		20	15	17	37	67	87	243
<u>Total Ongoing Budget Costs</u>	<u>142</u>	<u>200</u>	<u>213</u>	<u>234</u>	<u>354</u>	<u>384</u>	<u>404</u>	<u>1,931</u>
<u>TOTAL for Short Term Training</u>	<u>194</u>	<u>252</u>	<u>290</u>	<u>329</u>	<u>500</u>	<u>530</u>	<u>550</u>	<u>2,645</u>

The summary and analysis of the Government of the Sultanate of Oman contributions are based on the following cost estimates.

English Language Training (ELT)

An average figure of \$20,000 was allowed for one year of English Language Training including transportation and all other costs. This should be ample to provide ELT in the U.S. for all students; however, some may receive part or all of their training outside the U.S., in Oman, in Egypt at American University at Cairo, or elsewhere. The first class of undergraduate scholarship recipients will be selected from those receiving English Language Training in the U.S. at present (1982-83) under GOVOMAN scholarships. The first class of ten (10) graduate scholarship recipients will be required to have English ability sufficient to begin graduate school. Thus, the total to receive ELT is 290.

Travel

An average figure of \$4,200 was used for round-trip transportation between Oman and the point of training. The Government of the Sultanate of Oman provides all long term trainees an annual trip home, so one round-trip per student per year is budgeted.

Extra Benefits

The Government of the Sultanate of Oman pays some allowances to students which A.I.D. does not allow, and thus will not reimburse. Also, the Government of the Sultanate of Oman living allowance for students in the States is generally higher than the A.I.D. allowance. To account for these non-reimbursable expenses, \$250 per month was budgeted in the Oman contribution. GOVOMAN will also pay medical insurance (estimated at \$50 per month) and a one-time medical examination fee (estimated at \$50).

Salaries of Participants

Salaries of participants which will be continued while they are in training were estimated on the following salaries:

Graduate Students and Short Term Overseas Trainees	- \$25,000/year
In-Country Trainees	- \$18,000/year

Counterpart Salaries

Salaries for Government of the Sultanate of Oman staff include a core staff at the DSFR and others both within the DSFR and other government organizations who would be working on a part-time basis. Salaries of a core staff at the DSFR were estimated at:

2 professionals @ average annual salary of \$25,000
1 administrative assistant @ average annual salary of \$18,000
1 secretary @ average annual salary of \$12,000

The salaries of these four were projected for all seven years of the project. Salaries of additional personnel at the DSFR and other organizations were estimated as given.

Salaries of Omani Counterparts in the DSFR

New staff are expected to be hired in the DSFR to carry on the project work, being trained by the technical assistance team. Salary estimates for these are:

1 professional @ \$25,000/year hired in year three
1 administrative assistant @ \$18,000/year hired in year four

63

JOB DESCRIPTIONS OF LONG TERM ADVISORS

1. Manpower Development Specialist

A. Scope of Work: The Manpower Development Specialist is the contractor's in-country representative (Chief of Party) responsible for implementing the Omani-American Joint Commission Scholarship and Training Project. He provides expert advice to the Directorate General of Scholarships and Foreign Relations and other Government of the Sultanate of Oman officials interested in developing institutional training plans.

B. Representative Duties

- i. Monitor the activities of the contractor's staff to see that the project's purpose will be met.
- ii. Assist the DSFR in selecting organizations which desire to develop institutional training plans.
- iii. Assess the human resource requirements and available expertise in at least five Government of the Sultanate of Oman agencies.
- iv. Assist the DSFR in establishing and operating a data based management information system for its scholarship program.
- v. Assist the DSFR in designing and preparing reports for its scholarship program, including any and all required statistical analyses.
- vi. Help the DSFR develop effective procedures for submission of documentation to the Joint Commission for reimbursement of expenditures for the long term trainees of the project.
- vii. Establish with the contractor's home office effective procedures for administering the short term training programs.
- viii. Insure that all information necessary for U.S. Government to reimburse for overseas trainees is prepared.
- ix. Assist in the design and implementation of a system to evaluate the impact of the training carried out under this project.
- x. Prepare required reports.
- xi. Handle all in-country administrative support required to be provided by the contractor.

2. Training Specialist

A. Scope of Work: The Training Specialist is primarily responsible for the development of institutional training plans in at least five Government of the Sultanate of Oman agencies. He will work both with the DSFR and other Government of the Sultanate of Oman agencies and will provide advice on matters relating to both short and long term training programs.

B. Representative Duties

- i. Assist the DSFR and other Government of the Sultanate of Oman agencies in implementing an orientation program for Omani students studying outside the country.
- ii. Assist the DSFR in establishing a follow-up program for returned participants, including publishing a directory of returned participants and conducting exit interviews with those who have returned.

- iii. Develop at least five training plans for long and short term training in Government of the Sultanate of Oman agencies.
- iv. Arrange for the execution of training plans by placing and sending short term trainees to programs in the U.S. or other Arab countries, planning and organizing short term courses in Oman and bringing short term consultants to Oman to carry out training programs and identify future need for in-country courses.
- v. Help the DSFR disseminate information on short term training opportunities available in the U.S. and in other Arab countries to appropriate Omani organizations.
- vi. Locate appropriate courses in the U.S. and in other Arab countries when requested by interested Omani organizations.
- vii. Help the DSFR, Joint Commission, and Ministries involved to evaluate the effectiveness of short term training programs and revise training plans according to evaluation recommendations.
- viii. Help the Ministry of Education develop a secondary school equivalency examination which would provide an alternative for otherwise qualified candidates to meet the secondary school certification requirement for undergraduate studies under this project.

65

Department of State

INCOMING
TELEGRAM

PAGE 01 MUSCAT 04000 01 OF 02 281030Z 1986 095551 A100528
ACTION AID-33

ACTION OFFICE IT-06
INFO NEPD-04 NEPD-02 NETC-04 NEJL-03 PPCE-01 PDPR-01 PPPB-03
GC-01 GCFL-01 GCNE-01 AAST-01 STAG-02 AGRI-01 RELO-01
MAST-01 /033 A2 X28

INFO OCT-01 /038 W
-----207316 281124Z /16

P 280955Z SEP 81
FM AMEMBASSY MUSCAT
TO SECSTATE WASHDC PRIORITY 9260

UNCLAS SECTION 01 OF 02 MUSCAT 4000

AIDAC

E.O. 12865: NA
SUBJECT: PID - DEVELOPMENT TRAINING PROJECT

REF: MUSCAT 3527

FOR BELL, DS/IT AND BURNS, NE/JLS

1. INTRODUCTION. THIS PID IS SUBMITTED TO OBTAIN AID/W AGREEMENT ON ISSUES TO BE ADDRESSED DURING PREPARATION OF THE PROJECT PAPER. IN A FEW DAYS, TRAINING OFFICER THOMAS BALL, DS/IT, WILL ARRIVE IN OMAN TO ASSIST OMANGOV AND JOINT COMMISSION IN AN EXAMINATION OF OMAN'S TRAINING NEEDS AND EXISTING PROGRAMS AND HELP DRAW UP A PLAN FOR A JOINT COMMISSION PROJECT IN DEVELOPMENT TRAINING. REVIEW AND APPROVAL OF THIS PID IS REQUESTED.

2. PROJECT DESCRIPTION. THE PROJECT WILL BROADEN AND EXPAND OMAN'S ACCESS TO US COLLEGES, UNIVERSITIES AND TECHNICAL TRAINING INSTITUTES. THE PURPOSE WILL BE TWO FOLD. FIRST, TO MEET SPECIFIC DEVELOPMENT NEEDS OF THE GOVERNMENT AND PRIVATE SECTOR FOR OMANI MANPOWER TRAINED ON A SHORT OR LONG-TERM BASIS, WITH OR WITHOUT DEGREE, AT THE POST HIGH SCHOOL LEVEL; SECOND TO INCREASE THE POOL OF TRAINED MANPOWER GENERALLY FOR THE BENEFIT OF THE ECONOMY AS A WHOLE. THE PROJECT WILL SUPPLEMENT TRAINING PROGRAMS ALREADY IN PLACE AND RUN BY THE OMANGOV, BRITISH COUNCIL AND OTHER ORGANIZATIONS ASSISTING OMAN. THE TRAINING UNDER THE PROJECT WILL ALSO BE SUPPLEMENTAL TO THE SPECIAL TRAINING PROGRAMS INCORPORATED INTO OTHER JOINT COMMISSION PROJECTS SUCH AS THE PROPOSED FISHERIES DEVELOPMENT PROJECT. TRAINING WILL BE LIMITED TO US SCHOOLS IN VIEW OF THE BINATIONAL PURPOSE AND NATURE OF THE OMANI-AMERICAN JOINT COMMISSION. THIRD COUNTRY TRAINING WILL BE LEFT FOR FINANCING BY THE OMANGOV OR OTHERS.

PARA. DEPENDING UPON FINDINGS DURING THE FORTHCOMING TRAINING PROGRAM EXAMINATION, A TECHNICAL ASSISTANCE COMPONENT MAY BE APPROPRIATE FOR THE PROJECT, TO ASSIST OMANI ORGANIZATIONS INVOLVED IN MANAGING OVERSEAS TRAINING PROGRAMS. IF THAT IS FOUND TO BE THE CASE, US TRAINING ADVISERS WOULD SEEK TO STRENGTHEN OMANGOV ABILITY TO PLAN AND ADMINISTER OVERSEAS TRAINING/SCHOLARSHIP PROGRAMS.

3. RELATIONSHIP OF THE PROJECT TO OMAN'S DEVELOPMENT PRIORITIES IN A POPULATION ROUGHLY ESTIMATED TO BE THREE QUARTERS OF A MILLION TO 1.5 MILLION, EXPATRIATES ARE THOUGHT TO COMPRISE PERHAPS AS LARGE A PROPORTION AS 25 PERCENT, A DEMOGRAPHIC ANOMALY WHICH HAS DEVELOPED SINCE THE INITIATION OF OMAN'S DEVELOPMENT PROGRAM IN 1970. THE SPEED OF ECONOMIC GROWTH SINCE THEN, FINANCED BY EXPANDING OIL REVENUES, HAS MEANT THAT CONTINUALLY INCREASING NUMBERS OF FOREIGN LABORERS AND TECHNICIANS HAVE HAD TO BE BROUGHT IN TO MEET THE GROWING ECONOMY'S NEEDS FOR TRAINED PERSONNEL.

PARA. WHILE WELCOMING THE INCREASED NUMBERS OF FOREIGN WORKERS AND TECHNICIANS, THE OMANGOV HAS AT THE SAME TIME ADOPTED AN OFFICIAL POLICY GOAL OF QUOTE OMANIZATION UNQUOTE

MUSCAT 04000 01 OF 02 281030Z 1986 095551 A100528
OF THE WORK FORCE, IE TO REPLACE THE TRAINED EXPATRIATES WITH TRAINED OMANIS. TOWARD THIS OBJECTIVE, THE GOVERNMENT HAS BEEN EXPANDING EDUCATIONAL OPPORTUNITIES AT ALL LEVELS. PRIMARY AND SECONDARY SCHOOLS HAD 90 THOUSAND STUDENTS ENROLLED IN 1980, AS AGAINST LESS THAN ONE THOUSAND TEN YEARS BEFORE. A PROGRAM TO ESTABLISH TWELVE VOCATIONAL TRAINING CENTERS HAS BEEN EMBARKED UPON, WITH FIVE CENTERS ALREADY OPEN. OMANIS ARE BEING TRAINED IN COLLEGES AND UNIVERSITIES AROUND THE WORLD UNDER THE GOVERNMENT'S OWN SCHOLARSHIP PROGRAMS, UNDER SPECIAL FINANCIAL ARRANGEMENTS OFFERED BY PARTICULAR UNIVERSITIES OR WITH THE AID OF THE BRITISH COUNCIL AND OTHER AID EXTENDING ORGANIZATIONS. FINALLY, THE OMANGOV HAS ON THE DRAWING BOARD A PLAN FOR THE COUNTRY'S FIRST UNIVERSITY, AN INSTITUTION SCHEDULED TO OPEN IN FIVE OR SIX YEARS, WITH SCHOOLS OF ENGINEERING, SCIENCE, AGRICULTURE, EDUCATION AND MEDICINE. PARA. THE JOINT COMMISSION'S DEVELOPMENT TRAINING PROJECT WILL, IT IS EXPECTED, FILL IN GAPS NOT COVERED UNDER EXISTING FACILITIES AND PROGRAMS, PROVIDING IMMEDIATE, INCREMENTAL BENEFITS TO OMAN'S DEVELOPMENT EFFORT.

4. POLICY ISSUES. THE EXTENT OF THE NEED FOR, AND FEASIBILITY OF, A DEVELOPMENT TRAINING PROJECT WILL BE APPRAISED DURING THE APPROACHING VISIT OF THE AID/W TRAINING OFFICER. POLICY ISSUES, HOWEVER, ARE FEW. PARA. IN SEEKING TO DESIGN THE PROJECT SO AS TO BE OF MAXIMUM USEFULNESS TO OMAN, THE PLANNERS MAY OBSERVE THAT INSUFFICIENT COORDINATION IS EFFECTED AMONG THE SEVERAL OMANGOV ORGANIZATIONS MANAGING OVERSEAS TRAINING ACTIVITIES OF SIGNIFICANT SIZE. THE MINISTRY OF EDUCATION CARRIES OUT A PROGRAM UNDER WHICH QUALIFIED HIGH SCHOOL GRADUATES ARE SENT OUT FOR DEGREE TRAINING TO THE UK, US AND OTHER COUNTRIES. THE CENTRAL CIVIL SERVICE OVERSEEING ORGANIZATION, THE MINISTRY FOR DIVAN AFFAIRS, MANAGES A PROGRAM UNDER WHICH GOVERNMENT MINISTRIES ARE CANVASSED FOR THEIR INTEREST IN SPECIAL SHORT-TERM PROGRAMS WHICH COME TO THE ATTENTION OF THE GOVERNMENT THRU THE DIVAN. A SECTION OF OMAN'S MINISTRY OF FOREIGN AFFAIRS RECEIVES OFFERINGS OF SPECIAL TRAINING PROGRAMS FROM A MISCELLANY OF FOREIGN COUNTRIES AND FINDS APPROPRIATE OMANI CANDIDATES. ONE OTHER GOVERNMENT PROGRAM, FOR SPECIAL VOCATIONAL TRAINING PROGRAMS, IS MANAGED BY THE MINISTRY OF SOCIAL AFFAIRS AND LABOR. WHETHER DUPLICATION CAN BE AVOIDED AND PRIORITIES ASSESSED IN DEVELOPMENT TERMS UNDER THESE SEVERAL PROGRAMS, IS AN ISSUE THE JOINT COMMISSION WILL WANT TO ADDRESS IN JOINING THE GROUP OF TRAINING SPONSORS.

UNCLASSIFIED

UNCLASSIFIED
Department of State

I - 1

INCOMING
TELEGRAM

PAGE 01 MUSCAT 04008 02 OF 02 281018Z 1087 089553 AID0529
ACTION AID-35

ACTION OFFICE IT-06
INFO NEPD-04 NEDP-02 NETC-04 NEJL-03 PPCE-01 PDPR-01 PPPB-03
GC-01 GCFL-01 GCNE-01 AAST-01 STAG-02 AGRI-01 RELO-01
MAST-01 /033 A2 X28

INFO OCT-01 /036 W
-----207106 281124Z /16

P 280855Z SEP 81
FM AMEMBASSY MUSCAT
TO SECSTATE WASHDC PRIORITY 9261

UNCLAS SECTION 02 OF 02 MUSCAT 4008

PARA. A FURTHER QUESTION TO BE CONSIDERED WILL BE WHETHER THE COMMISSION SHOULD, AS A MATTER OF POLICY, RESTRICT ITSELF TO TRAINING OF MORE IMMEDIATE DEVELOPMENT/VOCATIONAL IMPORTANCE BY, FOR EXAMPLE, LIMITING ITS PROJECT FUNDING TO SUPPORT FOR SHORT-TERM SPECIALIZED TRAINING AND GRADUATE PROGRAMS FOR INDIVIDUALS ALREADY WITH RESPONSIBILITIES IN THE FIELD OF STUDY.

PROJECT PREPARATION STRATEGY. WHILE THIS PID IS BEING REVIEWED IN AID/W, WASHINGTON TRAINING OFFICER TOM BALL WILL BE IN OMAN ON TDY FOR FOUR WEEKS ASSISTING THE JOINT COMMISSION IN AN EXAMINATION OF OMANGOV AND PRIVATE SECTOR TRAINING NEEDS AND EXISTING TRAINING PROGRAMS; ALSO, THE EXAMINATION WILL INCLUDE AN ANALYSIS OF THE SYSTEMS BEING USED TO MANAGE THE GOV AND PRIVATE PROGRAMS. WITH BALL'S HELP THE COMMISSION HOPES TO DEVISE A WAY IN WHICH THE COMMISSION ITSELF CAN MANAGE A TRAINING PROGRAM EFFECTIVELY, GIVEN THE MINSCULE USG STAFF IN THE COMMISSION. AGREEMENT BETWEEN THE OMANGOV AND JOINT COMMISSION ON PROJECT PLANS WILL BE OBTAINED DURING BALL VISIT. DURING BALL'S FINAL WEEK, MAJOR PORTIONS OF THE PROJECT PAPER CAN BE DRAFTED. THESE PORTIONS WILL BE CARRIED BACK TO WASHINGTON BY BALL WITH REMAINING PROJECT PAPER WORK DRAFTED IN NE BUREAU. PARA. IT IS HOPED THEREFORE, AID/W VIEWS ON THIS PID WILL BE COMMUNICATED TO THE COMMISSION IN TIME TO TAKE THEM INTO ACCOUNT DURING THE FORTHCOMING BALL/COMMISSION/OMANGOV CONSULTATION.

6. INITIAL ENVIRONMENTAL EXAMINATION. THE PROJECT IS ENTIRELY DIRECTED AT THE PROVISION OF PARTICIPANT TRAINING. OMANI TECHNICIANS FROM A VARIETY OF FIELDS WILL RECEIVE US ACADEMIC TRAINING. IT IS POSSIBLE THAT THE OMANGOV WILL REQUEST THAT OMANI OFFICIALS CONCERNED WITH ENVIRONMENTAL ISSUES RECEIVE TRAINING UNDER THE PROJECT. THE PROJECT WILL BE OPEN TO THE OMANGOV FOR THE PURPOSE IF IT IS SO DESIRED. TO THE EXTENT THAT OMANIS RECEIVE TRAINING IN TECHNICAL SUBJECTS, SUCH AS ENGINEERING, IN WHICH ENVIRONMENTAL QUESTIONS NORMALLY NEED TO BE ADDRESSED, IT IS PRESUMED THE TRAINING WOULD TAKE THE ENVIRONMENT AND PROCEDURES FOR ENVIRONMENTAL ASSESSMENTS AND IMPACT STATEMENTS INTO ACCOUNT.

A NEGATIVE THRESHOLD DECISION IS RECOMMENDED. COUNTRYMAN

UNCLASSIFIED

R 231229Z OCT 81
FM SECSTATE WASHDC
TO AMEMBASSY MUSCAT 5416
BT
UNCLAS STATE 282891

ADM AID

E.O. 12065: N/A

TAGS:

SUBJECT: NEAR EAST ADVISORY COMMITTEE (NEAC) REVIEW OF DEVELOPMENT
TRAINING PROJECT PID (272-0101)

REF: MUSCAT 4008, STATE 018165

1. The NEAC reviewed subject PID on October 15, 1981. The PID was approved subject to following:

A. NEAC felt that second project purpose as stated in reftel should be dropped from project. We expect that the PP will spell out in general the development related areas from which trainees will be selected. The NEAC also urged that consideration be given to some concentrating or targetting of training in specific areas or institutions in order to achieve maximum development impact. In looking at concentrating or targetting of program, the NEAC also recognized the difficulty of finding adequate number of potential trainees.

B. NEAC was supportive of flexible training mix and focus built into project. If undergraduate academic training needs in U.S. are being met, suggest only limited support for this area. While the project must clearly take into account other donor and Omani overseas training efforts, the project should not just fill in gaps and supplement other efforts, but have a discrete focus of its own. If appropriate, the project should also consider in-country training programs.

C. To the extent feasible, the NEAC suggests that the project assist the Omanis in establishing a coordinating mechanism or mechanisms within the Oman Gov to maximize the effectiveness of overseas training programs.

2. The NEAC also noted the following which should be useful in preparation of PP.

A. In order to expand potential pool of trainees the NEAC suggested that consideration be given to (1) funding the costs of interpreters for small groups of non-English speaking Omanis who might travel to U.S. together for joint training programs; (2) selecting participants for training in the U.S. from Omanis currently studying at AUB or AUC; and (3) possibly

providing limited support to in-country English language training programs, without becoming involved in institution building efforts.

B. NEAC suggested AID direct contract for provision of technical assistance and monitoring of participant programs. AID direct contract with Commission would facilitate identification of contractor with Joint Commission. In order to publicize and focus attention of program on Commission, NEAC suggested that, all or a portion of project could be designated as Omani-American Joint Commission fellowship program.

C. The PP should address the potential problem of retention of trained Omanis. What has been the experience to date? What commitments are Omanis asked to make upon accepting Government sponsored training abroad? These questions should be answered in the context of the social and beneficiary analysis in the PP.

D. The PP should address the needs of women.

E. The PP should contain evaluation plan and budget. NE/DP will pouch under separate cover copies of evaluation plans for similar projects.

F. The current Continuing Resolution carries over a provision in the 1981 CR, (1) requiring that at least 20% of AID's (worldwide) FY 81 (now FY 82) funds appropriated for participant training be for participants selected other than by their home governments, and (2) expressing the sense of Congress that at least 15 of the participants be selected by an independent panel appointed by the U.S. Ambassador. While AID/W has not yet issued guidance as to how to implement this provision for FY 82, at this point (1) this provision should be followed as much as feasible in developing participant selection procedures for use with FY 82 funds, and (2) the Joint Commission should be alert for further AID/W guidance. To the extent that participants are funded under the current grant, which contains FY 1980 funds, this CR provision is inapplicable. For guidance as to what constitutes selection by other than the home government see State 018165.
Clark

BT
#2891

UNCLASSIFIED
Department of State

OUTGOING
TELEGRAM

PAGE 01 STATE 065726
ORIGIN AID 00

7072 003917 AID5487

STATE 065726

7072 003917 AID5487

GRADUATE AND TWO YEAR ASSOCIATE DEGREE(S).

ORIGIN OFFICE HEIC-04
INFO NEPD-04 AANL-01 NEOP-03 PPCE-01 PDPR-01 PPPB-03 GC-01
GCFL-01 GCNE-01 FM-02 VID-01 IT-05 NEME-03 RELO-01
MAST-01 STNR-01 JV-00 /035 AD

INFO OCT-00 INR-10 EB-08 NEA-07 /060 R

DRAFTED BY AID/NE/TECH/HRCST: BARRY HEYMAN:ES
APPROVED BY AID/AA/NE: W. ANTOINETTE FORG
AID/NE/TECH : B. TURNER
AID/NE/DP: C. JOHNSON
AID/NE/PJ: R. BELL
AID/PPC/PPDR: F. METHOD (DRAFT)
AID/ST/IT: L. MOGHAMMAD (DRAFT)
AID/GC/NE: A. A. KLEINJAN (DRAFT)
AID/NE/NE: R. BURNS (DRAFT)
AID/DAA/NE: B. LANGHAID
AID/NE/DP: J. WILLS (DRAFT)
AID/NE/DP: L. DOWNING (DRAFT)

-----321717 1809132 /38

R 100522Z MAR 83
FM SECSTATE WASHDC
TO AMEMBASSY MUSCAT

UNCLAS STATE 065726

AIDAC

E.O. 12356: N/A
TAGS:

SUBJECT: NEAC REVIEW OF OMANI-AMERICAN JOINT COMMISSION
SCHOLARSHIP AND TRAINING SUBACTIVITY PAPER (SP) (277-0101.3)

1. NEAC REVIEWED AND APPROVED SUBJECT SP ON MARCH 1, 1983.
2. THE NEAC DISCUSSION FOCUSED ON THE FOLLOWING:

A. FOCUS OF TRAINING: THERE WAS GENERAL AGREEMENT THAT THE FIELDS OF TRAINING SELECTED, AND THE PRIORITIES WITHIN THESE, ARE APPROPRIATE. THE NEAC NOTED THAT IN ORDER FOR THE GOVERNMENT OF OMAN (GOVOMAN) TO OBTAIN SIGNIFICANT INCREASES IN THE BENEFITS OF TRAINING, ESPECIALLY AT THE GRADUATE LEVEL, IT IS IMPORTANT THAT SOME DEGREE OF INSTITUTIONAL CONCENTRATION OF TRAINEES FROM OMANI ORGANIZATIONS BE ACHIEVED. SUCH CONCENTRATION WILL LEAD TO A CRITICAL MASS OF EMPLOYEES WHO HAVE ACQUIRED NECESSARY TECHNICAL AND MANAGERIAL SKILLS. THIS APPROACH IS PREFERRED TO ALLOCATING SMALL SHARE OF TRAINING SLOTS TO MANY INSTITUTIONS

B. PRIVATE SECTOR PARTICIPATION: THE NEAC NOTED THAT IT MIGHT BE USEFUL FOR GOVOMAN TO GIVE CONSIDERATION TO ACCEPTING EMPLOYMENT OF A SHARE OF RETURNED TRAINEES IN

THE PRIVATE SECTOR IN OMAN AS MEETING COMMITMENT TO WORKING FOR GOVERNMENT.

C. ROLE OF WOMEN: THE NEAC DISCUSSED THE SIGNIFICANT DEGREE OF FEMALE PARTICIPATION IN OMANI EDUCATIONAL SYSTEM AND THE RELATIVELY HIGH PERCENTAGE OF FEMALE FOREIGN SCHOLARSHIP RECIPIENTS. WE EXPECT THAT IN SELECTING TRAINEES FOR THIS PROJECT THE SHARE OF FEMALES WILL BE NO LESS THAN WHAT IT HAS BEEN HISTORICALLY. THE OMANI PRACTICE OF OFFERING TRAINING OPPORTUNITIES TO WIVES WHO ACCOMPANY THEIR HUSBANDS TO THE UNITED STATES SHOULD CERTAINLY BE ENCOURAGED. THE BROADEST RANGE OF TRAINING PROGRAMS FOR WIVES SHOULD BE CONSIDERED, INCLUDING SHORT-TERM TRAINING AND DEGREE PROGRAMS (GRADUATE, 4 YEAR UNDER-

B. UNDERGRADUATE VS GRADUATE TRAINING. GIVEN AGENCY POLICY CONCERNS REGARDING THE APPROPRIATENESS OF UNDERGRADUATE TRAINING, THE NEAC INDICATED THAT SHOULD THERE BE ANY INCREASES IN THE NUMBERS OF LONG TERM TRAINEES, IT WOULD BE PREFERABLE THAT THE SHARE OF FUNDING FOR UNDERGRADUATES NOT BE INCREASED.

E. FOLLOW-UP: THE SP INDICATED THAT THE TA CONTRACTOR WILL HAVE RESPONSIBILITY FOR WORKING WITH THE MOE TO DEVELOP AN ADEQUATE PARTICIPANT FOLLOW-UP SYSTEM. IN ORDER TO PROVIDE CONTINUITY TO THE LINKAGES WHICH HAVE BEEN FORMED BETWEEN TRAINEES AND THEIR U.S. EDUCATIONAL EXPERIENCE, ADEQUATE FUNDS SHOULD BE PROVIDED FOR FOLLOW UP, INCLUDING SUBSCRIPTIONS TO JOURNALS, PERIODIC MEETINGS OF RETURNEES, PROVISION OF ENGLISH LANGUAGE BOOKS, ETC. THE NEAC NOTED THAT THERE WOULD BE NO OBJECTION TO USING PROJECT FUNDS FOR FOLLOW-UP ACTIVITIES FOR NON-PROJECT FUNDED OMANIS WHO WERE TRAINED IN THE U.S. IN APPROPRIATE FIELDS OF STUDY. THE OMANIS THEMSELVES MAY ALSO CHOOSE TO FUND SOME FOLLOW UP ACTIVITIES.

F. EVALUATION: THE EVALUATION PLAN WAS WELL PREPARED. IT IS CRUCIAL THAT, NO LATER THAN YEAR FOUR, SEVERAL OF THE KEY PROJECT ASSUMPTIONS BE TESTED. FOR EXAMPLE, ARE PARTICIPANT SELECTION CRITERIA ADEQUATE TO ACHIEVE DESIRED LEVEL OF INSTITUTIONAL CONCENTRATION OF TRAINEES? IS THE SHARE OF FEMALE TRAINEES BEING SELECTED ACCORDING TO HISTORICAL PATTERNS?

G. FORWARD FUNDING OF PARTICIPANTS: THE NEAC NOTED THAT THE SP FINANCIAL PLAN DOES NOT APPEAR TO FULLY FUND ALL LONG TERM PARTICIPANTS AND REQUESTED THAT THE BUREAU AND JOINT COMMISSION REPRESENTATIVE REVIEW THE PROJECT

OBLIGATION SCHEDULE TO DETERMINE IF ALL LONG TERM PARTICIPANTS ARE FULLY FORWARD FUNDED IN THE YEAR SELECTED FOR COMMISSION SPONSORSHIP.

THE REVIEW INDICATED THAT THE FIGURES USED TO BUDGET FOR LONG TERM PARTICIPANTS WERE BASED ON A TWELVE MONTH YEAR AND ASSUMED AN INITIAL ANNUAL COST OF DOLS. 20,000 PER TRAINEE. SINCE MANY STUDENTS WILL NOT, IN FACT, BE STUDYING FOR A FULL TWELVE MONTHS AND MOST STUDENTS PROGRAM COSTS WILL VARY, IT WAS CONCLUDED THAT THE SCHEDULE OF OBLIGATIONS WOULD PERMIT THE JOINT COMMISSION TO FULLY FORWARD FUND ALL LONG TERM PARTICIPANTS.

ONCE THE PROJECTED NUMBERS OF 300 LONG TERM PARTICIPANTS HAVE BEEN PROGRAMMED, THE COMMISSION COULD CHOOSE TO USE ANY BUDGET SAVINGS TO PICK UP ADDITIONAL LONG TERM PARTICIPANTS, WITH THE OPTION OF PARTIALLY FUNDING A TRAINEE PROGRAM (E.G. PAYING FOR THE LAST THREE YEARS OF AN UNDERGRADUATE DEGREE) OR SELECTING A STUDENT AFTER HE HAS BEGUN HIS PROGRAM AND FULLY FUNDING THE PROGRAM (E.G. A SECOND YEAR GRADUATE STUDENT FOR WHOM COMMISSION WOULD PAY ALL YEARS OF PROGRAM). AN ADDITIONAL ANNEX WILL BE ADDED TO THE SP SUMMARIZING THIS ANALYSIS. SHUTZ

UNCLASSIFIED

Annex L: Forward Funding of Long Term Participants

NEAC review concluded that the Omani-American Joint Commission Scholarship and Training Project obligation plan should be reviewed to determine if all long term participants are forward funded for their total training programs in the year selected for Commission Sponsorship. The results of this review follow:

The projects financial plan provided for training 200 undergraduates (4 yr. programs) and 100 graduates (year programs), using a 12 month academic year and incrementally funding based on funds needed to reimburse on an annual basis. The savings that would be realized from participants' studying only 9 months in an academic year would be used to fund additional students. The shorter academic year arises because the good of Oman returns all students to Oman; at their expense, each year. All students were programmed to complete training by the end of the project (7 years). Based on a nine month academic year, all 300 (undergraduate and graduate) long-term participants can be fully funded once they have been selected. Any long-term participants in excess of the 300 will be identified one year prior to their full funding being provided.

The table below compares sub-obligations for the subactivity with subactivity commitments. In all years, all students will be fully funded.

	Under JC Grant Subobligations for Scholarship & Training Sub Activity	Funds Committed by Implementation Letter or by Contract	Cumulative Funds uncommitted by Imp. Letter or Contract
FY 83	7,300,000	4,635,750	2,664,250
FY 84	4,500,000	4,707,375	2,456,975
FY 85	4,500,000	5,499,000	1,457,975
FY 86	4,500,000	5,951,392	6,533

Notes:

- (1) forwarding funding completed for 200 undergraduates and 60 graduate participants
- (2) 27 undergraduate participants selected to start training in FY 86 will reimbursement to start in FY 87. Funding to be provided in FY 87.

FY 87	4,500,000	4,503,465	3,068
-------	-----------	-----------	-------

Notes:

- (1) forwarding funding for 20 graduate and 27 undergraduates completed.
- (2) 63 graduate participants selected to start training in FY 87 with reimbursement to start in FY 88. Funding to be provided in FY 88.

FY 88	4,500,000	4,465,762	37,306
-------	-----------	-----------	--------

Notes:

- (1) forwarding funding for 83 graduate participants completed.
- (2) 22 graduate participants selected to start training in FY 88 with reimbursement in FY 89.

FY 89	2,150,000	2,187,306	-0-
-------	-----------	-----------	-----

Total undergraduates 227
 graduates 185

COUNTRY CHECKLIST - OMAN

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy? No
2. FAA Sec. 113. Has particular attention been given those programs, projects, and activities which tend to integrate women into the national economies of developing countries, thus improving their status and assisting the total development effort? Yes
3. FAA Sec. 481. Has it been determined that the government of the recipient country has failed to take adequate steps to prevent narcotic drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the U.S. unlawfully? No
4. FAA Sec. 620(b). If assistance is to a government, has the Secretary of State determined that it is not dominated or controlled by the international Communist movement? Yes
5. FAA Sec. 620(c). If assistance is to a government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government? No
6. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government No

agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?

7. FAA Sec. 620(a), 620(f), 620D; Continuing Resolution Sec. 511, 512, and 513; ISDCA of 1980 Secs. 717 and 721. Is recipient country a Communist country? Will assistance be provided to Angola, Cambodia, Cuba, Laos or Vietnam? (Food and humanitarian assistance directly to the people of Cambodia are excepted). Will assistance be provided to Afghanistan or Mozambique without a waiver? Are funds for El Salvador to be used for planning for compensation, or for the purpose of compensation, for the confiscation nationalization, acquisition or expropriation of any agricultural or banking enterprise, or property or stock thereof? No
8. FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression? No
9. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property? No
10. FAA Sec. 620(k). Does the program furnish assistance in excess of \$100,000,000 for the construction of a productive enterprise, except for productive enterprises in Egypt that were described in the Congressional Presentation materials for FY 1977, FY 1980 or FY 1981? No
11. FAA Sec. 620(l). If the country has failed to institute the investment guaranty program for the specific risks of expropriation, inconvertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason? Oman has Investment Guaranty.
12. FAA Sec. 620(m). Is the country an economically developed nation capable of No

sustaining its own defense burden and economic growth and, if so, does it meet any of the exceptions to FAA Section 620(m)?

13. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. If country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters, Oman has not seized any such boats.
- a. has any deduction required by the Fishermen's Protective Act been made?
- b. has complete denial of assistance been considered by AID Administrator?
14. FAA Sec. 620(g); Continuing Resolution Sec. 518.
- a. Is the government of the recipient country in default for more than six months on interest or principal of any AID loan to the country? No
- b. Is the country in default exceeding one year on interest or principal on any U.S. loan under a program for which the Continuing Resolution appropriates funds? No
15. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget which is for military expenditures, the amount of foreign exchange spent on military equipment and the amount spent for the purchase of sophisticated weapons systems? (An affirmative answer may refer to the record of the annual "Taking into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.) Yes, taken into account by the Administrator at time of approval of Agency OYB.
16. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No

74

17. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? Not in arrears.
18. FAA Sec. 620A; Continuing Resolution Sec. 521. Has the country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism? Has the country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed a war crime? No
19. FAA Sec. 666. Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? No
20. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it detonated a nuclear device after August 3, 1977, although not a "nuclear-weapon State" under the non-proliferation treaty? No
- B. FUNDING SOURCE CRITERIA FOR CONTRY ELIGIBILITY**
1. Economic Support Fund Country Criteria.
- a. FAA Sec. 502B. Has the country (a) engaged in a consistent pattern of gross violations of internationally recognized human rights or (b) made such significant improvements in its human rights record that furnishing such assistance is in the national interest? No
- b. FAA Sec. 532(f). Will ESF assistance be provided to Syria? No
- c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? N/A

- d. FAA Sec. 620B. Will ESF be furnished to Argentina? No

PROJECT CHECKLIST

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

A. GENERAL CRITERIA FOR PROJECT

1. Continuing Resolution Unnumbered; FAA Sec. 634A; Sec. 653(b).
- a. Describe how authorizing and appropriations Committees of Senate and House have been or will be notified concerning the project; a. This activity was contained in FY 1982 Congressional Presentation.
- b. is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)? b. Yes
2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance? Yes
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? No such action required.
4. FAA Sec. 611(b); Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? Yes
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 N/A...

- effectively to maintain and utilize the project?
6. FAA Sec. 209. Is project susceptible of execution as part of regional or multi-lateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No

 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; and (c) encourage development and use of cooperatives, and 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. Project should encourage (a), (b) and (e). Training of Omanis in the U.S. should encourage greater linkages between the U.S. and Oman and will also improve the efficiency of various types of organizations in Oman.

 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). Most of funds will be spent at U.S. colleges and universities. A U.S. private sector firm will be awarded a contract to provide U.S. goods and services in Oman.

 9. FAA Sec. 612(b), 636(h); Continuing Resolution Sec. 508. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. Oman is contributing 42% of the cost of the project.

 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

 11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the Yes

awarding of contracts, except where applicable procurement rules allow otherwise?

12. Continuing Resolution Sec. 522. 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? N/A

B. FUNDING CRITERIA FOR PROJECT

Project Criteria Solely for Economic Support Fund

- a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of FAA Section 102? Yes; Yes
- b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities? No

STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

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

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Yes
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? Yes
3. FAA Sec. 604(d). If the cooperating country discriminates against U.S. marine insurance Yes

25

companies, will commodities be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in the U.S.?

4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). N/A
If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)
5. FAA Sec. 603. No
Is the shipping excluded from compliance with requirement in Section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum 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?
6. FAA Sec. 621. Yes; N/A
If technical assistance is financed, to the fullest extent practicable will such assistance, goods and professional and other services be furnished from private enterprise on a contract basis? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?
7. International Air Transport. Fair Competitive Practices Act, 1974. Yes
If air transportation of persons or property is financed on grant basis, will provision be made that U.S. carriers will be utilized to the extent such service is available?
8. Continuing Resolution Sec. 505. The direct contract will contain such a provision.
If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?

B. Construction

1. FAA Sec. 601(d). N/A
If 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 interests?

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? N/A
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? N/A

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? N/A
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes
4. Continuing Resolution Sec. 514. If participants will be trained in the United States with funds obligated in FY 1981, has it been determined either (a) that such participants will be selected otherwise than by their home governments, or (b) that at least 20% of the FY 1981 fiscal year's funds appropriated for participant training will be for participants selected otherwise than by their home governments? N/A
5. Will arrangements preclude use of financing:
 - a. FAA Sec. 104(f). To pay for performance of abortions as a method of family planning or to, motivate or coerce persons to practice abortions; to pay for performance of involuntary sterilization as a method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization? Yes

20

- b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? Yes
- c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes
- d. FAA Sec. 662. For CIA activities? Yes
- e. FAA Sec. 636(1). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes
- f. Continuing Resolution Sec. 504. To pay pensions, annuities retirement pay, or adjusted service compensation for military personnel? Yes
- g. Continuing Resolution Sec. 506. To pay U.N. assessments, arrearages or dues? Yes
- h. Continuing Resolution Sec. 507. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)? Yes
- i. Continuing Resolution Sec. 509. To finance the export of nuclear equipment fuel, or technology or to train foreign nationals in nuclear fields? Yes
- j. Continuing Resolution Sec. 510. Will assistance be provided for the purpose of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Arrangements will preclude the use of assistance for such purpose.
- k. Continuing Resolution Sec. 516. To be used for publicity or propaganda purposes within U.S. not authorized by Congress? Yes

SUBGRANT AGREEMENT
BETWEEN
THE SULTANATE OF OMAN
THE MINISTRY OF EDUCATION AND YOUTH AFFAIRS
AND THE
JOINT COMMISSION
ON ECONOMIC AND TECHNICAL COOPERATION
FOR
THE SCHOLARSHIP AND TRAINING SUBACTIVITY

SUBGRANT AGREEMENT dated May 5, 1983, among the Sultanate of Oman, Ministry of Education and Youth Affairs (the "Ministry"), and the Joint Commission on Economic and Technical Cooperation (the "Joint Commission").

WHEREAS, the Ministry is the responsible entity for implementing the Omani-American Joint Commission Scholarship and Training Project; and

WHEREAS, the United States of America, acting through the United States Agency for International Development ("A.I.D.") has granted the Sultanate of Oman fifteen million United States dollars (\$15,000,000) (the "Grant") for support of operations of the Joint Commission, pursuant to a Project Grant Agreement dated September 28, 1980, as amended on April 28, 1982, and August 18, 1982, and May 5, 1983 (the "Grant Agreement"); and

WHEREAS, the Grant Agreement provides that A.I.D.'s contribution to the Joint Commission's operations will be provided in increments, subject to the availability of funds to A.I.D. for this purpose and to the mutual agreement of the parties at the time of a subsequent increment to proceed; and

WHEREAS, the Ministry intends to conduct the Scholarship and Training Subactivity as described in paragraph 4 below (the "Subactivity"); and

WHEREAS, the Joint Commission and A.I.D. have approved the Subactivity in accordance with the procedures established under the Grant Agreement;

NOW THEREFORE, the parties hereby agree as follows:

1. The Sultanate of Oman shall make available proceeds of the Grant totalling seven million three hundred thousand United States Dollars (\$7,300,000) to the Ministry and the Ministry agrees to use such proceeds of the Grant for the Subactivity as described in paragraph 4 below.

20

2. The Sultanate of Oman shall make available to the Ministry additional future proceeds of the Grant totalling twenty-four million six hundred fifty thousand United States Dollars (\$24,650,000), subject to their being granted to the Sultanate of Oman by the United States of America, and the Ministry agrees to use such proceeds for the subactivity as described in paragraph 4 below.

3. The Sultanate of Oman shall make available to the Ministry the estimated contribution of twenty-three million five hundred twenty thousand United States Dollars (\$23,520,000) or such other sum necessary to finance the Oman Government contribution for the Subactivity as described in paragraph 4 below.

4. The Subactivity consists of developing Oman human resources through long- and short-term training programs for approximately 1,075 Omanis, technical assistance and commodities. Annex 1, attached, amplifies the above definition of the Subactivity. Within the above definition of the Subactivity, 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 9.3 of the Grant Agreement, without formal amendment of this Agreement.

5. The Project Assistance Completion Date for this Subactivity is September 30, 1990, or such other dates as the parties may agree to in writing.

6. The Ministry shall abide by the provisions of the Grant Agreement, which forms a part hereof as if the Ministry were an original party to the Grant Agreement, except the articles that apply to the Sultanate of Oman alone.

7. The Ministry shall consult with the Sultanate of Oman in carrying out the necessary arrangements in light of action to be taken by A.I.D. and the Joint Commission in accordance with the provisions of the Grant Agreement.

8. The individual holding or acting in the offices listed below, or such other persons as each may from time to time appoint in writing, is designated as the authorized representative of the applicable party for the purpose of taking any action required or permitted to be taken under this Subgrant Agreement:

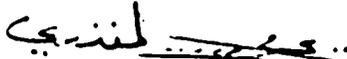
The Sultanate of Oman: Ministry of Education and Youth Affairs

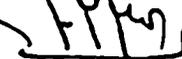
The Joint Commission: U.S. Representative

IN WITNESS WHEREOF, the Sultanate of Oman, the Ministry of Education and Youth Affairs, and the Joint Commission on Economic and Technical Cooperation, each acting through its duly authorized representative, have caused this Subgrant Agreement to be signed and delivered as of the date first written above.

Sultanate of Oman

Joint Commission on
Economic and Technical Cooperation

By 
Yahya M. al-Manthri
Minister
Ministry of Education and Youth
Affairs

By 
Yusuf al-Alawi Abdullah
Minister of State for Foreign
Affairs, Oman; Co-Chairman JC

By 
John R. Countryman
American Ambassador
American Co-Chairman JC

Ratified in accordance with the Sultan's Decree No. 48/76, as amended.

By 
Qais Abdul Munim al-Zawawi
Deputy Chairman
Financial Affairs Council

By 
Mohammed Musa
Undersecretary
Directorate General of Finance

ANNEX 1

SCHOLARSHIP AND TRAINING

SUBACTIVITY DESCRIPTION

- I. The Development Training Subactivity is a cooperative undertaking of the Joint Commission and the Ministry of Education and Youth Affairs to address major human resources constraints facing the Government of Oman. Over a seven year period, approximately 1,075 Omanis will receive about 1,051 years of long- and short-term training. The long-term training includes: undergraduate degrees in the United States for about 200 students and post graduate degrees (Masters and Ph.D.s) in the United States for about one hundred Omanis already possessing Bachelor degrees. Short-term training will include: programs averaging about three months in the United States or other countries such as Morocco, Tunisia, Egypt, Jordan and possibly Lebanon for about 100 Omanis, and in-country training programs averaging two weeks each for about 675 Omanis. With the exception of the 200 undergraduate trainees, all trainees will be currently employed either in public, quasi public or private organizations.

The fields of training will include the following: education, agriculture, rural development, public health, administration/management, finance/accounting, engineering, statistics, economics, and law. Other fields will be considered if they are development-related. Concentration of training will be in the first six fields listed above, with emphasis on educational institutions. To assist in the implementation of this project, especially the short-term training, about eight person years of long term and about fifty person months of short term technical assistance will be provided to the Directorate of Scholarships and Foreign Relations (DSFR) of the Ministry of Education and Youth Affairs and other government agencies interested in developing and implementing institutional training plans. The technical assistance contractor will assist in: (1) programming and monitoring the short-term participants; (2) planning, developing and assisting in conducting the in-country training programs; (3) developing the institutional capacity to assess both long- and short-term training requirements within selected Government of Oman agencies; and (4) establishing within the DSFR a computerized, data based management information system.

The major accomplishments expected by the end of the project are:

- Approximately 200 undergraduates successfully earn Bachelor degrees, return to Oman and are employed in positions using the knowledge and skills they acquired.
- Approximately 100 graduates successfully earn Masters and Doctoral degrees, return to Oman and are re-employed using the knowledge and skills they acquired.

- Approximately 775 short-term trainees are applying the knowledge and skills they acquired to their jobs.
- The Directorate General of Scholarships and Foreign Relations is operating an effective computerized, data-based management information system for its scholarship program.
- The majority of the returned long-term trainees are concentrated in selected public and private sector organizations.
- At least five Ministries are developing and implementing institutional training plans.

II. The Development Training Subactivity is structured to provide inputs financed by the U.S. and Sultanate of Oman in the above described areas as a means of developing Omani human resources. A discussion of these inputs follows.

A. U.S. Government Inputs (through Joint Commission)

1. Undergraduate Training - \$21.53 million for tuition, maintenance, books, typing, book shipment, training equipment and orientation for up to four years of training for about 200 undergraduate students in the U.S. The number of undergraduate students may be increased at the request of the Government of Oman as long as the costs for this input will not exceed the \$21.53 million. Funding for this input will be provided on a limited cost reimbursement basis.
2. Graduate Training - \$5.6 million for tuition, maintenance, books, typing, thesis/doctoral allowance, book shipment, training equipment, and orientation for an average of two years for about 100 graduate students in the U.S. The number of graduate students may be increased at the request of the Government of Oman as long as the cost for this input will not exceed \$5.6 million. Funding for this input will be provided on a basis of reimbursement for agreed costs.
3. Short-Term Overseas Training - \$1.72 million for program expenses except travel and Government of Oman additional allowances for estimated 100 short-term trainees who will participate in short-term training programs averaging three months in the U.S. and other Arab countries (such as Morocco, Tunisia, Egypt, Jordan and Lebanon).
4. Technical Assistance - \$2.3 million primarily for the in-country training programs for an estimated 675 Omanis. Two long-term advisors (a manpower development specialist and a training specialist) will be provided for about four years each to work with the DSFR and other Government of Oman agencies. In addition to the two long-term advisors, approximately 50 months of services of short-term training specialists with expertise in diverse fields will also be provided. The technical assistance team will be responsible for the

following: (a) to program and monitor the short-term participants; (b) to plan, in-country training programs; (c) to develop the institutional capacity to assess and plan for meeting both long- and short-term training requirements within selected Government of Oman agencies; and (d) to establish within the DSFR an effective data-based management information system (MIS). The technical assistance team will also be responsible for procuring a word processing system for the MIS, appropriate software and training equipment and materials necessary for the in-country training programs.

5. Contingency and Evaluation - \$0.8 million.

B. Government of Oman Inputs

1. Undergraduate Training - Estimated \$10.25 million for English language training, travel, and additional student benefits.
2. Graduate Training - Estimated \$10.62 million for English language training, travel, additional benefits, and salaries while away from jobs.
3. Short-Term Overseas Training - Estimated \$1.14 million for travel, health insurance, additional benefits and salaries.
4. Short-Term Training in Oman - Estimated \$0.510 million for salaries.
5. Salaries of Counterparts from DSFR and Other Government of Oman Agencies - Estimated \$1.0 million. Full-time personnel in DSFR calculated at six during duration of project. Part-time personnel as needed for developing training plans and carrying out short-term in-country training programs.

III. A. Long-Term Training

The implementation of this part of the project will be accomplished under the existing system used by the Government of Oman for its students studying abroad. The Joint Commission will reimburse the Government of Oman tuition, maintenance (living expenses) and other costs (books, typing, thesis/doctorate, book shipment, special equipment, orientation). Actual tuition costs will be paid; maintenance rates will be according to the A.I.D. allowance rate schedule for each month that the student is in the United States. The maximum annual reimbursement for the other cost categories is as follows: books \$35/month enrolled; typing \$200; thesis expenses (if applicable) \$300; doctoral expenses \$800; book shipment \$120; and special equipment \$300; transit status for first month \$1,500; orientation program \$325. On an annual basis the Joint Commission will review with the DSFR the reimbursement amounts for the maintenance and other cost categories and make adjustments, if necessary.

The technical assistance contractor will be responsible for the implementation of the short-term training component of the project. This contractor will provide a manpower development specialist and a training specialist for four years each; the short-term consultants who will largely be responsible for designing and conducting the in-country training programs will be provided directly by the contractor or other qualified firms through subcontractual relationships. The contractor will be responsible for handling all program arrangements for the short-term overseas trainees, once they have been selected by the Omani organizations. All technical assistance personnel working in Oman under the project must be approved by the Directorate General of Scholarships and Foreign Relations. The contractor's Chief of Party, the Manpower Development Specialist, will report directly to the Director General of Scholarships and Foreign Relations, his counterpart. The Chief of Party will have the in-country responsibility for helping the DSFR coordinate all inputs to be provided by the contractor (U.S.-financed) and the Oman Government in providing technical assistance to the DSFR and other Government of Oman agencies. It is anticipated that technical assistance will begin in mid-1983 and continue into 1990.

B. Commodities

All commodities needed for the project, other than office supplies, will be procured by the technical assistance contractor.

C. In-Country Support of Technical Assistance Personnel

1. Leasing of houses and procuring furniture and personal vehicles will be the responsibility of the technical assistance contractor's personnel.
2. Office space and equipment for technical assistance team members will be provided by either the DSFR or other Government of Oman agencies.

IV. EVALUATION

The evaluation process will focus on the effectiveness of the training and technical assistance provided under this project to upgrade the quality of Omani human resources and to strengthen the capabilities of the Directorate General of Scholarships and Foreign Relations and selected other Government of Oman agencies. Annual project reviews will be carried out, with the participation of the Ministry of Education, other Government of Oman agencies, the Joint Commission and the technical assistance contractor. Three evaluations are formally scheduled for the project: one at month 29, a mid-project evaluation at month 53, and a final evaluation at month 77. The Directorate General of Scholarships and the Joint Commission will cooperate in scheduling and conducting any other special evaluation that may be decided upon during the project life.

V. FINANCIAL PLAN

The total projected cost of the project is \$55,470,000. The total anticipated contribution of the U.S. Government is \$31,950,000 of which \$24,650,000 is subject to the availability of funds for the grant and for the subgrant and to the agreement of the parties to the grant and to the subgrant agreements to proceed. The estimated Sultanate of Oman contribution is \$23,520,000.

A. Projected Budget for U.S. Government Contribution, 1983-1989
(thousands of U.S. Dollars)

<u>Training</u>	
Undergraduates	21,530
Graduates	5,600
U.S. & Third Country Short-Term Trainees	1,720
<u>Technical Assistance</u>	
Contingency and Evaluation	800
TOTAL U.S. CONTRIBUTION	<u>31,950</u>

Projected Budget for Oman Government Contribution, 1983-1989
(thousands of U.S. Dollars or equivalent)

<u>Training</u>	
Undergraduates	10,250
Graduates	10,620
U.S. & Third Country Short-Term Trainees	1,140
In-Country Trainees	510
<u>Salaries</u>	
Counterpart personnel in DSFR	800
Counterpart personnel in other government agencies	200
TOTAL OMAN CONTRIBUTION	<u>23,520</u>

B. Funding Schedule

It is anticipated that funds will be provided for the project according to the following schedule (figures in thousands of U.S.

Dollars; Oman Government contribution converted: U.S. Dollar equals R.O. .345).

	<u>Years</u>							<u>TOTAL</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	
U.S. Government	7,300	4,500	4,500	4,500	4,500	4,500	2,150	31,950
Government of Oman	<u>3,360</u>	<u>3,590</u>	<u>4,350</u>	<u>4,100</u>	<u>3,890</u>	<u>2,630</u>	<u>1,600</u>	<u>23,520</u>
	<u>10,660</u>	<u>8,090</u>	<u>8,850</u>	<u>8,600</u>	<u>8,390</u>	<u>7,130</u>	<u>3,750</u>	<u>55,470</u>

(Draft of Sample Letter of Request from Government for Training Project)

His Excellency
Yusuf al-Alawi Abdulla
Co-Chairman
Omani-American Joint Commission

Your Excellency:

This is to confirm the discussions which the Ministry of Education has had with you and your representatives concerning the Joint Commission Scholarship and Training Project to be financed by the Governments of the Sultanate of Oman and the United States.

The project as it has been outlined will promote Oman's goal of developing local human resources by providing long and short term training overseas and in Oman. I concur in the objectives of the project and acting on behalf of the Government of the Sultanate of Oman, hereby request the Joint Commission to secure the U.S. Government's agreement to designate U.S. \$32 million from the grants to the Sultanate of Oman for the financing of this project. The Sultanate of Oman will contribute approximately U.S. \$23.5 million to the project over the seven year period.

Mohammed Musa
Undersecretary for Finance

ANNEX P

TO: The Co-Chairmen
 Omani-American Joint Commission

DATE:

SUBJECT: Request for Your Approval of a Project

Section 4.3 of the Project Grant Agreement requires that you approve grant subactivities before submission to A.I.D.

We need your approval, therefore, of the Omani-American Joint Commission Scholarship and Training Project. This project was developed by the Joint Commission and the Ministry of Education.

Approval of the Scholarship and Training Project:

(Original Signed By)
John R. Countryman
Ambassador of the U.S.
American Co-Chairman

(Original Signed By)
Yusuf al-Alawi Abdulla
Minister of Foreign Affairs
Omani Co-Chairman

BIBLIOGRAPHY

1. Evaluation of Support Services of AID's Academic Participant Training Program, Development Associates, Inc., May 1981.
2. H. Elizabeth Wycoff, Overview of Participant Training in the Near East Bureau of AID, January 1981.
3. H. Elizabeth Wycoff, Near East Bureau Participant Training, June 1981.
4. USAID/Jordan, Development Administration III PID. August, 1982.
5. Cyprus American Scholarship PP.
6. USAID/Rabat Development Training and Management Improvement PP.
7. Lukowski, Michael, An Evaluation of the USAID/Lisbon Participant Training Program and A Suggestion for A Standardized AID Participant Training Evaluation Methodology, September 1982.
8. USAID/New Delhi Development and Management Training Draft PP.
9. Robert A. Mertz, Education and Manpower in the Arabian Gulf, American Friends of the Middle East.
10. Draft AID Development Training Strategy Paper, 1982.
11. World Bank Project Performance Audit Report - Sultanate of Oman First Education Project, March 1982.
12. Final Report Assessment of the Manpower Implications of the Second Five Year Development Plan, Sultanate of Oman, Document of The World Bank, November 1981.
13. Foreign Labor in Oman: The Subcontinent Connection, Airgram A18, Economic/Commercial Section, American Embassy, Muscat, August 30, 1982. (Classified)
14. Zimbabwe Manpower Development PP and RFP.
15. USAID/Morocco, Sector Support Training PID, 1982.

ACTION MEMORANDUM FOR THE ADMINISTRATOR

30 MAR 1983

THRU : ES

APR 8 4 23 PM '83

THRU : AA/PPC, John Bolton

John R. Bolton
EXECUTIVE SECRETARIAT

FROM : AA/NE, W. Antoinette Ford

SUBJECT: Sultanate of Oman Joint Commission Project Approval of the
Omani-American Scholarship and Training Subactivity Paper (SP)
(273-0101.3)

Problem: Your approval is required for the Omani-American Scholarship and Training Subactivity, a subactivity under the Joint Commission Project, since the planned life of subactivity funding is \$31.950 million.

Discussion: In connection with a base access agreement signed in 1980 between the United States and the Sultanate of Oman, the U.S. agreed in principle to provide an annual \$5 million in grant assistance to Oman for 10 years as well as certain loan assistance if suitable loan projects could be identified. The two countries also established a Joint Commission on Economic and Technical Cooperation (the "JC") to manage the U.S. assistance activities. To date, \$12.5 million has been authorized and obligated for the JC project grant, and authorization and obligation of an additional \$2.5 million is anticipated shortly. The JC grant provides funds for (1) the JC's operating expenses, (2) the JC's selection and development of subactivities to be funded under the grant and under separate single-project loan agreements, and (3) most importantly, implementation of substantive subactivities. The Scholarship and Training Subactivity, for which your approval is requested here, is the largest of these grant-financed subactivities.

Pursuant to a provision in the grant agreement, the JC developed procedures (contained in PIL No. 5, attachment 4) for selection and approval of grant-financed subactivities. For sub-activities above \$500,000, preparation of a subactivity paper, approved by AID/W, is required. While this does not involve a formal project authorization (which occurs when each addition of funds to the grant is approved), we believe that normal A.I.D. procedures for project authorization should be followed. Because the amount involved here is in excess of \$30 million, your approval is requested.

The Scholarship and Training Subactivity Paper was reviewed and approved by the Near East Advisory Committee on March 1, 1983. This seven year, incrementally funded subactivity is designed to develop Omani human resources in priority fields related to national development. Approximately 1,075 Omanis will receive an estimated 1,051 years of training. Primary emphasis will be on long term training in the United States for 200 Omanis to earn four year undergraduate (Bachelors) degrees and for 100 Omanis to study for two or three year graduate (Masters or Doctorate) degrees. The first element of the subactivity, long term training, will be carried out through the current system of selection, placement and monitoring employed by the Government of the Sultanate of Oman (GOVOMAN). The grant will pay for a major share of this component, using a variation of the Fixed Amount Reimbursement method (Limited Amount Reimbursement).

8305285

947

-2-

The second part of the subactivity will provide short term training opportunities. One hundred Omanis will be selected for training programs, averaging three months duration in the United States or other countries, such as Morocco, Tunisia, Egypt and Jordan. Training programs in Oman, averaging two weeks, will be offered for 675 Omanis.

The subactivity will focus on training Omanis who are currently employed, with the exception of those obtaining undergraduate degrees. Most of those to be trained will be government employees, but trainees from private sector organizations will also be selected. Fields of study for training will be varied and include agriculture, rural development, public health, education, administration/management, finance/accounting, engineering, statistics, economics, and law. Priority will be given to the first six fields.

The total cost of the subactivity is \$55.5 million, of which approximately \$32.0 million is from the Joint Commission grant and approximately \$23.5 million from the GOVOMAN. The Joint Commission grant will cover the following expenses for 1,075 Omanis: (a) \$21.53 million for the 200 undergraduate students; (b) \$5.6 million for the 100 graduate students; (c) \$1.72 million for the 100 short term trainees who will study in the U.S. or other countries; (d) \$2.3 million for the in-country training programs and (e) \$0.8 million for project evaluation and a contingency allowance. The in-country training contribution includes a technical assistance team who will work with the Ministry of Education's Directorate General of Scholarships and Foreign Relations (DSFR) and other Government entities to (1) program and monitor the short term participants; (2) plan, develop and assist in conducting the in-country training program; (3) develop the institutional capacity to assess and plan both long and short-term training requirements within selected GOVOMAN agencies; and (4) establish within the DSFR a management information system. The Joint Commission grant contribution will also provide a minicomputer and/or word processing system and training equipment and materials.

The GOVOMAN's contribution of \$23.5 million will cover (a) \$10.3 million for certain expenses of the 200 undergraduate students (mainly travel and English language); (b) \$10.6 million for costs related to 100 graduate students (mainly travel, English language training and salaries); (c) \$1.1 million for costs of the 100 short term trainees who will study outside Oman (mainly travel and salaries); and (d) \$1.5 million to support the direct and indirect in-country training costs for the 675 Omanis. Of this last figure, \$1.0 million is for Omani counterpart personnel in the DSFR and other organizations who will be working with the technical assistance team on the project.

The subactivity approval also includes a waiver for up to \$200,000 of commodities from Geographic Code 899 countries, which is justified in section 5B of the Subactivity Paper.

No Advice of Program Change is required since this is a subactivity of an already approved grant.

We have been advised that there are no human rights issues under Section 502B of the Foreign Assistance Act that, if this action involved the obligation of funds, would preclude its approval.

Recommendation: That you sign the attached subactivity approval for the Omani-American Scholarship and Training Subactivity in the amount of \$31.950 million.

Attachments:

1. Omani-American Scholarship and Training Subactivity Approval for your signature
2. Omani-American Scholarship and Training Subactivity Paper
3. NEAC Approval Cable, State 65726 dated 3/10/83
4. Joint Commission PIL No. 5

Clearances:

DAA/NE, B. Langmaid	<u>BL</u>	date <u>2/20/83</u>
NE/DP, C. Johnson	<u>CSJ</u>	date <u>3/22/83</u>
NE/TECH, K. Sherper	<u>KSO</u>	date <u>3/28/83</u>
NE/ME, G. Kamens	<u>GK</u>	date <u>3/28/83</u>
A-GC, J. Mullen	<u>JM</u>	date <u>4/7/83</u>
GC/NE, G. Davidson	<u>GD</u>	date <u>3/29/83</u>
AAA/PPC/PDPR, E. Hullander	<u>EH</u>	date <u>4/7/83</u>

OK 2/10

Drafted by NE/TECH/HRST, BHeyman:lct:3/14/83:x21078 (1187h)

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D C. 20523

SUBACTIVITY APPROVAL

Name of Country: Sultanate of Oman (United States Oman Joint Commission on Economic and Technical Cooperation) Name of Subactivity: Development Training
Number of Subactivity: 272-0101.2

- 1. In accordance with Project Implementation Letter No. 5, Section Ic9, for Grant No. 272-0101, dated September 28, 1980 between the United States of America and the Sultanate of Oman (the "Grant"), setting forth procedures for selecting subactivities under the Grant, I hereby approve financing of the Development Training Subactivity (the "Subactivity") under the Grant in an amount not to exceed \$31,950,000 over a seven year period from the date of this approval, subject to authorization and availability of funds in the Grant in accordance with the AID OYB/allotment process. The planned life-of-project is seven years from the date of the Subgrant agreement.
- 2. The Subactivity consists of developing Omani human resources through long-and short term training programs, technical assistance and commodities.
- 3. The Subactivity shall be carried out, and any subgrant agreements shall be negotiated and executed, in accordance with the terms and provisions contained in the Grant.
- 4. Based upon the justification contained in Section 5B of the Subactivity paper, I hereby waive the source/origin requirements contained in the Grant to permit procurement of up to \$200,000 worth of commodities for the Subactivity from countries included in Geographic Code 899. Exclusion of procurement from Free World countries other than the cooperating country and countries included in Code 941 would seriously impede attainment of U.S. foreign policy objectives and objectives of the foreign assistance program.

emphasize electrical infrastructure development

M. Peter McPherson
M. Peter McPherson

April 27, 1983
Date

Clearances:
AA/NE: WAFord 36 Date 30 MAR 1983
AA/PPC: JBolton SRB Date 4/8/83
A-EC: Muller 2011 Date 10/12/82

UNCLASSIFIED

UNITED STATES INTERNATIONAL
DEVELOPMENT COOPERATION AGENCY

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

PROJECT PAPER
FY 1980

OMAN: JOINT COMMISSION FOR ECONOMIC AND TECHNICAL COOPERATION

GRANT NO: 272-0101

UNCLASSIFIED

PROJECT DATA SHEET

A A = Add
C = Change
D = Delete

Amendment Number _____

CODE **3**

2. COUNTRY/ENTITY
Oman

3. PROJECT NUMBER
272-0101

4. BUREAU/OFFICE
Bureau for Near East

5. PROJECT TITLE (maximum 40 characters)
Joint Commission

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)
MM DD YY
09/30/83

7. ESTIMATED DATE OF OBLIGATION
(Under 'B:' below, enter 1, 2, 3, or 4)
A. Initial FY 80 B. Quarter C. Final FY 80

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	4500	500	5000	4500	500	5000
(Grant)	(4500)	(500)	(5000)	(4500)	(500)	(5000)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country						
Other Donor(s)						
TOTALS	4500	500	5000	4500	500	5000

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) ESF	990	900							
(2)									
(3)									
(4)									
TOTALS						5000		5000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code _____

B. Amount _____

13. PROJECT PURPOSE (maximum 480 characters)

To promote the economic development of Oman through technical assistance, training and project activities and to support the operation of the U.S.-Oman Joint Commission for Economic and Technical Cooperation.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

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

17. APPROVED BY

Signature: *[Signature]*

Title: Director
Office of Project Development

Date Signed MM DD YY
09/25/80

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY
09/22/80

September 22, 1980

MEMORANDUM

TO : A-AA/NE, Mr. Alfred D. White
FROM : NE/PD, Selig A. Taubenblatt
SUBJECT: Oman - FY 80 Obligation of \$5.0 Million

Problem: Your approval is required for a \$5.0 million grant of FY 1980 ESF funds to the Government of Oman to assist in financing technical assistance, training and project activities.

Background: In furtherance of U.S. foreign policy objectives in the Indian Ocean area, the Department of State has negotiated separate but parallel agreements with the Government of Oman which provide for U.S. military access to Oman facilities in time of need, and for the establishment of a Joint Commission for economic and technical cooperation. The Commission, to be jointly staffed with Omani and U.S. personnel, will serve as the institutional arrangement for programming and administering U.S. economic assistance. The U.S. has agreed in principle to provide \$5.0 million in ESF grant funds annually, and up to \$20 million in FY 82/83 ESF loan funds should suitable projects be identified for funding. The Oman Government has agreed to match the level of U.S. loan funds.

The general organizational structure and operating procedures for the Joint Commission were negotiated during the visit of an AID team in June 1980. The AID team also surveyed Oman's economic development situation and identified sectors and project possibilities for U.S. assistance. The team's report (Attachment 1) was reviewed on July 18, 1980, by the Near East Advisory Committee, which generally endorsed its findings and recommendations. The Joint Commission Agreement was signed by the U.S. and Oman on August 14, 1980 (Attachment 2); a Bilateral Agreement was signed on September 4, 1980. Both governments are now proceeding with identification of staff and other steps necessary to make the Joint Commission operational.

It is proposed that the initial \$5.0 million ESF grant to the Oman Government be authorized and obligated in FY 80. Undersecretary Nimetz formally approved the use of \$5.0 million FY 1980 ESF funds for this purpose on September 12, 1980.

The Joint Commission: The Commission will operate under the joint authority of two co-chairmen, the U.S. Ambassador and the Omani Undersecretary of the Ministry of Foreign Affairs. The Oman Government will second a Senior Executive Officer to serve as the managing director of the Commission. AID will assign two development officers to the Commission who will be responsible for technical aspects of project identification, development and implementation.

The Omani Senior Executive officer will manage the day-to-day operations of the Commission in accordance with agreed upon rules and procedures and as directed by the co-chairmen. He will also be responsible for facilitating the Commission's work with other Oman Government agencies and ministries. The AID officers will assist in identifying projects and activities suitable for AID financing; in assuring that necessary feasibility studies are carried out, that required AID procedures are adhered to and that appropriate AID reviews and approvals are obtained; and in managing and monitoring approved activities. Where necessary, the AID officers will arrange for TDY expertise to assist in carrying out their duties.

It has been determined that the AID officers should be appointed under Section 631 of the FAA which will allow them to retain their independent status as AID employees while at the same time taking day-to-day direction from the Omani Senior Executive officer. They will in a formal sense, however, report only to the U.S. ambassador as co-chairman. This arrangement is intended to avoid conflict of interest questions under U.S. statutes and A.I.D. regulations and will permit the delegation of AID authorities if and as appropriate. (See Mullen to White memorandum, "Structure of Oman Joint Commission," dated August 4, 1980.) The Commission will enter into major subactivities pursuant to the grant agreement only upon joint agreement of the two co-chairmen.

When established, the Joint Commission will provide the necessary institutional framework for effective and proper use of AID funds. The Oman Government already has in place a development planning system, managed by the Oman Development Council, which identifies sectors and projects for investment, establishes priorities among ministry proposals, allocates development budget resources and produces a five-year planning document. During the last several years, the Oman government has successfully undertaken numerous development projects consistent with such planning. These have included a broad range of infrastructure projects, various feasibility studies and consultant services. Financing has come from Oman Government resources as well as Arab and other donor funds. The World Bank, for example, presently has four projects in Oman (education, technical assistance, highway maintenance and power/water studies) totalling \$25.0 million, and all are proceeding satisfactorily. The Commission will draw closely on this experience with project development and implementation.

The 1981-85 Oman Development Plan is now in the final phase of preparation. Activities selected for AID-financing under the Joint Commission will be those which have high priority in the Oman five-year development plan, those which are particularly suited to U.S. technology or expertise and those which best satisfy AID policy and project criteria.

It is expected that subactivities proposed for AID financing under this grant will be subjected to AID review and approval consistent with procedures and criteria developed by the Commission and agreed to by AID. For subactivity projects, this process will provide for an AID review and approval role which is substantively equivalent to the PID/PP system.

Procurement of AID-funded goods and services will utilize, to the maximum extent practical, standard Oman Government procedures. Prior to their formal adoption for use by the Joint Commission, these procedures, which include public advertising, competitive selection and open evaluation and approval of awards, will be reviewed for consistency with AID policy and statutory requirements. Modifications will be made where necessary.

Proposed Use of the FY 80 \$5.0 Million Grant: During negotiations for the Joint Commission, it was agreed that a portion of the annual \$5.0 million grant would be used to fund certain operational costs of the Commission. These will include such items as salaries and benefits for locally-hired support staff; local transportation and travel costs; and equipment, furniture, supplies and utilities for the Commission's offices. Operating costs to be funded out of the \$5.0 million grant are estimated at approximately \$200,000 in the first year. Office rental will be an Oman Government contribution. Costs associated with AID officers' salaries, benefits, housing and international travel will be borne directly by AID's operating expense budget.

The balance and major portion of the grant will be available for project development and implementation. While it was agreed at the time of the Joint Commission negotiations that no decisions on specific programmatic uses of the grant would be made until the Commission becomes operational, a principal objective of the AID team during its June 1980 visit was to tentatively identify, through discussions with the Oman Development Council and various ministries and government agencies, high priority activities which might be ready for early financing under the initial \$5.0 million grant. In conjunction with these discussions, the team also surveyed major sectors of the Oman economy with a view to determining development constraints and assistance opportunities which could be exploited to mutual advantage for quick, tangible results to demonstrate the value of the newly established economic and technical cooperation relationship between the Oman and U.S. Governments.

This process produced one specific project for potential AID financing (a water recharge pilot project for which some preliminary feasibility work has already been performed by the U.S. Corps of Engineers). It also established a strong interest in technical assistance for conducting studies and developing projects in such areas as health, fisheries, agriculture, housing and water and a general participant training program for a wide range of academic and vocational skills.

Based on the AID team's discussions with the Oman Government, an illustrative list of technical assistance, training and project activities for use of the \$5.0 million grant would include: additional feasibility and design work for the water recharge project (\$0.5 million); the first funding increment for an umbrella development training project (\$0.5 million); consultant services for feasibility studies, project development and design assistance (\$0.5 million); and final design and initial construction financing for the water recharge pilot project (\$4.0 million).

Conclusion: There are important U.S. and Oman foreign policy objectives to be served by moving quickly to establish and fund the Joint Commission. Negotiations have been completed and an agreement executed setting forth the basic

precepts which will govern the Commission's operations. Both Governments are in the process of identifying principal officers to staff the Commission. An AID team has visited Oman and concluded that (1) appropriate developmental uses to be considered for funding under the initial grant would be technical assistance, training and the water recharge pilot project and (2) a functioning development planning and project selection and implementation process exists within the Oman Government which the Commission can build upon and modify to satisfy AID requirements. While organizationally somewhat unique, it is expected that the Joint Commission arrangement will in fact result in a project identification, design, approval and implementation matrix which in substance parallels the "normal AID process".

Against this background and recognizing the desirability of not preempting the Joint Commission in selecting activities for financing, it is believed that adequate institutional planning has been done to warrant authorization of a \$5.0 million grant at this time. Grant proceeds would be used to fund agreed upon operating costs and subactivities for technical support, training and projects. Release of funds for these purposes would be subject to reaching written agreement on (a) specific operating costs to be funded, (b) criteria for selection of sub-activities, (c) procedures for review and approval of selected subactivities and (d) procedures for procurement of goods and services. These procedures, to be developed by the Commission and approved by AID, would reflect AID policy and statutory requirements.

A Congressional Advice of Program Change was forwarded to the Congress on September 12, 1980. The fifteen-day waiting period has expired without Congressional objection to the grant.

There are no human rights issues with respect to Oman that would affect the making of the proposed grant.

Recommendation: That by signing the attached authorization (Attachment 3) you authorize a \$5.0 million grant to the Government of Oman to be used by the U.S.-Oman Joint Commission to finance technical assistance, training and project subactivities as well as to fund mutually agreed upon operating costs of the Commission.

Attachments:

1. AID Team Report (On file in NE/PD)
2. Joint Commission Agreement
3. Authorization
4. Statutory Checklist

**AGREEMENT BETWEEN THE GOVERNMENT OF THE
SULTANATE OF OMAN AND THE GOVERNMENT OF
THE UNITED STATES OF AMERICA TO ESTABLISH
A JOINT COMMISSION ON ECONOMIC AND
TECHNICAL COOPERATION.**

**The Government of the Sultanate of Oman and the Government
of the United States of America,**

**Having the mutual desire to develop and strengthen
relations between their two countries ,**

**Determined , in particular , to promote economic and
technical cooperation between their two countries ,**

Have agreed as follows :

Article 1

**The Government of the Sultanate of Oman and the
Government of the United States of America hereby establish
a Joint Commission on Economic and Technical Cooperation .**

Article 2

**The Commission shall be headed jointly by the United
States Ambassador to Oman for the United States and by an
Omani official to be designated for this purpose for Oman .**

Handwritten signature/initials

The representation of each Government may include , as appropriate, representatives of concerned agencies, departments or ministries .

Article 3

The Commission shall seek to develop and strengthen , to the greatest possible extent, economic and technical cooperation between the Sultanate of Oman and the United States . Activities of the Commission undertaken in fulfillment of this objective may include, among others :

- (1) periodic review of matters involving the cooperative efforts of the two countries in economic and technical areas , including review of the implementation of relevant economic and technical agreements which may be in force from time to time between the two countries ;
- (2) identification and exploration of areas for enhanced economic and technical cooperation between the two countries ;

[Handwritten signature]

- (3) recommendation of specific projects, programs or other activities or measures which will encourage and facilitate growth and development through cooperation between the two countries on economic and technical matters .

Article 4

This Agreement shall enter into force on the date of signature and shall remain in effect for ten years, subject to extension as mutually agreed, and it may be terminated at any time by either party by one year's written notice to the other party .

After the expiration of the first five years of the term of the Agreement, and every five years thereafter, the Agreement shall be reviewed by the parties in order to determine whether any modification of its provisions may be appropriate in the light of circumstances then prevailing .

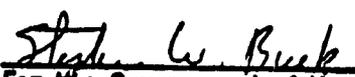
Unless otherwise agreed , termination of this Agreement or of the activities of the Commission shall not affect the validity or duration of any other agreements entered into by the two Governments in the area of economic or technical cooperation .

Article 5

This Agreement shall enter into force on the date of signature hereof .

Done in Muscat August 19th 1980 , In two original copies each in English and Arabic, both texts being equally authentic .


**For the Government of the
Sultanate of Oman**


**For the Government of the
United States of America**

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523

ASSISTANT
ADMINISTRATOR

PROJECT AUTHORIZATION

Name of Country: Sultanate of Oman Name of Project: Joint Commission

Number of Project: 272-0101

1. Pursuant to Section 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Joint Commission project for the Sultanate of Oman, (the "Cooperating Country"), involving planned obligations of not to exceed \$5,000,000 in grant funds, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the Project.

2. The Project consists of support for the operations of the United States-Oman Joint Commission on Economic and Technical Cooperation, established by an executive agreement of August 19, 1980.

3. The Project Agreement(s) which may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

a. Source and Origin of Goods and Services

Goods and services, except for ocean shipping, financed by A.I.D. under the Project shall have their source and origin in the Cooperating Country or in the United States, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessel of the United States or the Cooperating Country.

b. Conditions Precedent to Initial Disbursement

~~Prior to any disbursement, or to the issuance of any commitment documents under the Project Agreement(s) to finance operating expenses of the Joint Commission, A.I.D. shall have received in form and substance satisfactory to A.I.D. evidence that the parties have formally agreed in principle upon those operating expenses to be financed by each of the parties, and that the parties and the Joint Commission have established procedures for making disbursement for such expenses.~~

c. Conditions Precedent to Disbursement for Subactivities

(1) Prior to any disbursement or to the issuance of any commitment documents under the Project Agreement(s) to finance the first subactivity of the project, but not operating expenses of the Joint Commission, the Cooperating Country shall furnish in form and substance satisfactory to A.I.D. evidence that the Joint Commission has formally established procedures for the selection, approval and implementation of such subactivities.

16

(2) Prior to any disbursement, or to the issuance of any commitment documents under the Project Agreement(s) to finance each specific sub-project activity of the Project, but not operating expenses of the Joint Commission, A.I.D. shall have received, in form and substance satisfactory to A.I.D., evidence that the two co-chairmen have formally approved the undertaking of such sub-activity and information indicating that the proposed sub-project is suitable for financing under the Project Agreement(s).

Alfred D. White

Alfred D. White
Acting Assistant Administrator
Bureau for Near East

9-26-80
Date

Clearances:

NE/DP:Bradshaw Langmaid *BL* Date *9/24/80*
NE/PD:Selig A. Taubenblatt *SK* Date *9/25/80*
NE/PD:Robert H. Bell *RB* Date *9/25/80*
NE/TECH:Lewis P. Reade *LR* Date *9/26/80*
NE/JLS:Blaine C. Richardson *BCR* Date *9-25-80*
GC/NE:Judd L. Kessler *JK* Date *9/25/80*
PPC/PDPR:JERIKSSON *JK* Date *9/25*

Drafter:GC/NE:SECarlson:sh:9/18/80:X28700

STANDARD ITEM CHECKLIST

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Yes.
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? Yes.
3. FAA Sec. 604(d). If the cooperating country discriminates against U.S. marine insurance companies, will commodities be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in the U.S.? No.
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? N/A.
5. FAA Sec. 608(a). Compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum 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. Will be complied with.
6. FAA Sec. 621. If technical assistance is financed, to the fullest extent practicable will such assistance, goods and professional and other services from private enterprise, be furnished on a contract basis? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? Yes. Will be used only if suitable per this section.

7. International Air Transport. Fair Competitive Practices Act, 1974. Yes.
If air transportation of persons or property is financed on grant basis, will provision be made that U.S.-flag carriers will be utilized to the extent such service is available?
8. FY 79 App. Act Sec. 505. Does the contract for procurement contain a provision authorizing the termination of such contract for the convenience of the United States? Direct contracts will contain such a provision.

B. 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? Yes, if capital subactivities undertaken.
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? Yes, if done.
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? N/A.

C. Other Restrictions

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

4. FAA Sec. 636(i). Is financing not permitted to be used, without waiver, for purchase, sale, longterm lease, exchange or guaranty of motor vehicles manufactured outside the U.S.? Yes.
5. Will arrangements preclude use of financing:
- a. FAA Sec. 104(f). To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; to pay for performance of involuntary sterilization as a method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization? Yes.
- b. FAA Sec. 620(q). To compensate owners for expropriated nationalized property? Yes.
- c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes.
- d. FAA Sec. 662. For CIA activities? Yes.
- e. FY 79 App. Act Sec. / 504 /. To pay pensions, etc., for military personnel? Yes.
- f. FY 79 App. Act Sec. / 506 /. To pay U.N. assessments? Yes.
- g. FY 79 App. Act Sec. / 507 /. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending.) Yes.
- h. FY 79 App. Act Sec. / 511 /. To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields? Yes.
- i. FY 79 App. Act. Sec. / 515 /. To be used for publicity or propaganda purposes within U.S. not authorized by Congress? Yes.

PROJECT CHECKLIST

A. GENERAL CRITERIA FOR PROJECT

1. FY 79 App. Act Unnumbered; FAA Sec. 634A; Sec. 653(b). (a) Describe how authorizing and appropriations Committees 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)?
(a) Usual Congressional Notification process.
(b) Yes.
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?
(a) Yes
(b) Yes
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. 501 7. 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?
If such construction later approved, standards will be met in advance.
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?
If such assistance to be provided, certification will be made.
6. FAA Sec. 209. Is project susceptible of execution as part of regional or multi-lateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.
No.

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.

Project should assist items (a) and (e).
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).

Goods and services to be purchased will largely come from U.S.
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.

Cooperating country contribution is for operating expenses of Joint Commission.
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.
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 80 App. Act Sec. / 521 7. 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?

N/A

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102(b); 111; 113; 281a.

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

N/A

b. FAA Sec. 103, 103A, 104, 105, 106, 107.

Is assistance being made available: (include only applicable paragraph which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.)

(1) 103 for agriculture, rural development or nutrition; if so (a) extent to which activity is specifically designed to increase productivity and income of rural poor; 103A if for agricultural research, full account shall be taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made; (b) extent to which assistance is used in coordination with programs carried out under Sec. 104 to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value, improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced food-stuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people; and (c) extent to which

activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

N/A

{2} [104] for population planning under Sec. 104(b) or health under Sec. 104(c); if so, (a) extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems and other modes of community research.

(3) [105] for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education and training of people in developing countries in such disciplines as are required for planning and implementation of public and private development activities.

(4) [106] for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is: (i) (a) concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and (b) facilitative of geological and geophysical survey work to locate potential oil, natural gas, and coal reserves and to encourage exploration for potential oil, natural gas, and coal reserves.

11/5

N/A

(ii) technical cooperation and development, especially with U.S. private and voluntary, or regional and international organizations;

(iii) research into, and evaluation of, economic development processes and techniques;

(iv) reconstruction after natural or manmade disaster;

(v) for special development problems, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;

(vi) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

c. [107] is appropriate effort placed on use of appropriate technology? (relatively smaller, cost-saving, labor using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.)

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least developed" country)?

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"?

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

g. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

2. Development Assistance Project Criteria
(Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.

N/A

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

3. Project Criteria Solely for Economic Support Fund

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

Yes.

Yes.

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

No.

1/4

COUNTRY CHECKLIST

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FAA Sec. 116. Can it be demonstrated that contemplated assistance will directly benefit the needy? If not, has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? No.

2. FAA Sec. 481. Has it been determined that the government of the recipient country has failed to take adequate steps to prevent narcotics drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the U.S. unlawfully? No.

3. FAA Sec. 620(b). If assistance is to a government, has the Secretary of State determined that it is not dominated or controlled by the international Communist movement? Yes.

4. FAA Sec. 620(c). If assistance is to the government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government? No.

5. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? No.

6. FAA Sec. 620(a), 620(f), 620D; FY 79 App. Act. Sec. (511, 512, and 513.) Is recipient country a Communist country? Will assistance be provided to Angola, Cambodia, Cuba, Laos or Vietnam? Will assistance be provided to Afghanistan or Mozambique without a waiver? No.

7. FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression? No.
8. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property? No.
9. FAA Sec. 620(l). If the country has failed to institute the investment guaranty program for the specific risks of expropriation, inconvertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason? Oman has Investment Guaranty.
10. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. If country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters,
a. has any deduction required by the Fishermen's Protective Act been made?
b. has complete denial of assistance been considered by AID Administrator? Oman has not seized any such boats.
11. FAA Sec. 620; FY 79 App. Act Sec. (518.)
(a) Is the government of the recipient country in default for more than six months on interest or principal of any AID loan to the country?
(b) Is country in default exceeding one year on interest or principal on U.S. loan under program for which App. Act appropriates funds? No.
12. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget which is for military expenditures, the amount of foreign exchange spent on military equipment and the amount spent for the purchase of sophisticated weapons systems? (An affirmative answer may refer to the record of the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.) Yes. An ad hoc review of Oman's military expenditures and requirements concluded that the proposed assistance was warranted.

12

13. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No.
14. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? No.
15. FAA Sec. 620A, FY 79 App. Act, Sec. (521.) Has the country granted sanctuary from prosecution to any individual or group which has committed an act of international terrorism? Has the country granted sanctuary from prosecution to any individual or group which has committed a war crime? No.
16. FAA Sec. 666. Does the country object, on basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. there to carry out economic development program under FAA? No.
17. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it detonated a nuclear device after August 3, 1977, although not a "nuclear-weapon State" under the nonproliferation treaty? No.
- B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY
1. Development Assistance Country Criteria.
2. Economic Support Fund Country Criteria.
- a. FAA Sec. 502B. Has the country (a) engaged in a consistent pattern of gross violations of internationally recognized human rights or (b) made such significant improvements in its human rights record that furnishing such assistance is in the national interest? No.
- b. FAA Sec. 533(b). Will assistance under the Southern Africa program be provided to Angola, Mozambique, Tanzania, or Zambia? If so, has President waived prohibition against the assistance by determining that such assistance will further U.S. foreign policy interests? No.

- c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? N/A
- d. FY 80 App. Act Sec. (510.). Will assistance be provided for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? No.
- e. FAA Sec. 620B, P.L. 94-329 Sec. 406. Will ESF be furnished to Argentina or Chile? No.

120