

Project Authorization

Name of Country: Guatemala
Name of Project: Guatemala Peace Scholarship (GPS)
Number of Project: 520-0393

1. Pursuant to Sections 531 and 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Guatemala Peace Scholarship Project for Guatemala, involving planned obligations of not to exceed Thirty-Seven Million United States Dollars (US\$37,000,000) in grant funds over a five year period from date of authorization subject to the availability of funds in accordance with the AID OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.

The planned life of the Guatemala Peace Scholarship Project is seven years from date of initial obligation.

2. The project will equip a broad base of leaders and potential leaders in Guatemala with technical skills, training and academic education and an appreciation and understanding of the workings of a free enterprise economy in a democratic society. The Guatemala Peace Scholarship Project, along with 12 other Mission projects and the LAC Regional Project, the Caribbean and Latin American Scholarship Program (CLASP) II.

Within the general framework of CLASP II, the Guatemala Peace Scholarship (GPS) project has three country-specific sub-purposes:

- 1) strengthen the democratic process in Guatemala by exposing trainees to democratic decision-making processes;
- 2) facilitate Guatemala's social, economic and political development by providing relevant skills and knowledge to leaders and potential leaders via training so that they can lead communities to solve their own problems through organization and community action; and
- 3) strengthen individual understanding and friendship and develop or strengthen direct business, institutional and/or social relationships between Guatemala and the United States.

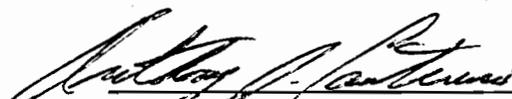
The GPS/CLASP II Project will consist of short-term technical training, long-term technical training, long-term

academic training and communications support. All trainees will attend training programs in the United States that include two components: 1) the basic skills and attitudes necessary to participate effectively in a democratic system, and 2) the technical skills needed for economic development.

3. The Project Agreements which may be negotiated and executed by the officer 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.

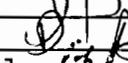
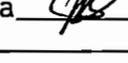
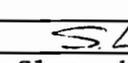
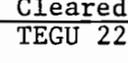
a) Source and Origin of Commodities, Nationality of Services

Commodities financed by A.I.D. under the Project shall have their source and origin in the United States, the cooperating country, or other countries included in the Central American Common Market, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the United States, the cooperating country, or other countries included in the Central American Common Market as their place of nationality, 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 vessels of the United States.


Anthony J. Cauterucci
Director, USAID/Guatemala

4/5/90
Date

Clearances:

OHRD, LAyalde	
PDSO, DBoyd	
PRM, DAdams	
OEPA, SSkogstad	
CONT, JHill	
OPED, FManteiga	
ORD, GStraub	
ADM, EAker	
DDIR, SWingert	
RLA, MWilliams	Cleared by cable

Date	
	<u>12/18</u>
	<u>12/15</u>
	<u>12/15</u>
	<u>1/3/90</u>
	<u>1-3-90</u>
	<u>12/19/87</u>
	<u>1/3/90</u>
	<u>1/3/90</u>
	<u>12/13/89</u>

TEGU 22330

ACTION MEMORANDUM FOR THE DIRECTOR

THROUGH: Stephen Wingert, Deputy Director

FROM: Don Boyd, Chief/PDSO

SUBJECT: Guatemala Peace Scholarship (GPS) Project (520-0393).
Request for Approval of Project Paper and Project
Authorization

ACTION: Your approval is requested for a \$37,000,000 grant from Sections 531 and 103 of the Foreign Assistance Act of 1961, as amended, for the Guatemala Peace Scholarship (GPS) Project (520-0393). It is planned that a total of \$4,283,000 (\$2,283,000 in ESF and \$2,000,000 in ARDN) will be obligated in FY 1990.

BACKGROUND: The Guatemala Peace Scholarship Project, along with another 12 bilateral projects in the LAC region and the LAC Regional Project, form the Caribbean and Latin American Scholarship Program (CLASP II) with a total LOP funding of \$216,982,000 of which \$86,250,000 correspond to the LAC Regional Project and \$130,732,000 to the 13 bilateral projects. The overall CLASP II project was approved in Washington on October 23, 1989. At the same time, the LAC Regional Project was authorized and authority was redelegated to the field to authorize the Country Projects, subject to AID/Washington review of the country Social-Institutional-Framework (SIF) (STATE 343820). The Guatemala Social Institutional Framework was reviewed and approved by LAC/DR on September 18, 1989 (STATE 326329), and the Mission was granted permission to authorize the PP.

DISCUSSION: The goal of the Guatemala Peace Scholarship/CLASP II Project is to promote broad-based economic and social development in Guatemala. The project sub-goal is to encourage and strengthen free enterprise within a system of democratic pluralism to establish the conditions necessary for sustained development.

The CLASP II Program purpose is to equip a broad base of leaders and potential leaders with technical skills training, and academic education and an appreciation and understanding of the workings of a free enterprise economy in a democratic society. Within this general framework, the Guatemala Peace Scholarship project has three country-specific sub-purposes:

- 1) strengthen the democratic process in Guatemala by exposing trainees to democratic decision-making processes;
- 2) facilitate Guatemala's social, economic and political development by providing relevant skills and knowledge to leaders and potential leaders via training so that they can lead communities to solve their own problems through organization and community action; and
- 3) strengthen individual understanding and friendship and develop or strengthen direct business institutional and/or social relationships between Guatemala and the United States.

The project will provide \$35 million in ESF grant funds and \$2 million in ARDN grant funds, for a total of \$37 million to be obligated between FY 1990 through FY 1994, to finance training for approximately 2,100 leaders and potential leaders from socially and economically disadvantaged classes in selected priority sectors. The planned project life is seven years from the date of initial obligation.

The GPS/CLASP II Project will consist of short-term technical training, long-term technical training, long-term academic training and communications support. All trainees will attend training programs in the United States that include two components: 1) the basic skills and attitudes necessary to participate effectively in a democratic system, and 2) the technical skills needed for economic development.

The general target group for the GPS/CLASP II project will be members of the rural community leadership. Within this broad group, leaders from sectors of programmatic importance to USAID/Guatemala will be included in the project. All of the groups hold either a formal position of authority or influence at the local or municipal level or are influential in the community because of their knowledge, initiative or occupation.

The GPS project will utilize a direct contracting mode for project implementation with USAID/Guatemala exercising administrative oversight for all project activities. An institutional contractor will be responsible for all phases of the project including recruitment, screening, selection (with USAID/Guatemala participation and approval), orientation, preparatory English and academic training, testing, preparation of documents, placement, training, participant monitoring in the U.S., evaluation, follow-on and publicity.

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Although the GPS project will be partially funded under the ARDN account (\$2,000,000), counterpart resources are not required since funds will be obligated with private contractors and not with the Government of Guatemala.

CONGRESSIONAL NOTIFICATION: The FY 1990 CP included a generic CLASP II data sheet under the LAC Regional section and specific information for each mission participating in the program. According to a memorandum sent to the Mission by LAC/DP Robert Meehan on October 31, 1989, the generic LAC Regional Project data sheet, coupled with the bilateral project information, satisfies the full CN requirement for new bilateral CLASP II projects. Therefore, the submission of a CN for the Guatemala Peace Scholarship Project is not necessary. The \$2,000,000 ARDN funding required a TN. The TN was submitted to the Hill on March 15, 1990 and expired on March 29, 1990.

ENVIRONMENTAL DETERMINATION: The Action Memorandum recommending approval of the overall CLASP II project indicates that the project qualifies for a categorical exclusion according to Section 216.2 (c) (2) (i) of A.I.D.'s Environmental Procedures. This was the threshold decision recommended to and approved by the LAC Bureau's Chief Environmental Officer on June 16, 1989.

AUTHORITY: Authority to authorize the CLASP II country projects was delegated to the field through STATE 343920 subject to AID/Washington review of country Social-Institutional-Frameworks (SIFs). USAID/Guatemala Social-Institutional-Framework was reviewed and approved by LAC/DR on September 18, 1989. Approval of the USAID Guatemala SIF was notified through STATE 326329

RECOMMENDATION: That you sign this memorandum, the attached Project Data Sheet and Project Authorization, thereby approving and authorizing the Guatemala Peace Scholarship Project (520-0393) for total life-of-project funding of \$37,000,000.

Approved



Disapproved

Date

4/5/90

Attachments:

1. Project Authorization
2. Project Data Sheet
3. Project Paper

Drafter: RFigueroa

Clearances:

Date:

OHRD, LAyalde (in draft)	<u>12/18/89</u>
PDSO, DBoyd	<u>4/5/90</u>
PRM, DAdams (in draft)	<u>12/15/89</u>
OEPA, SSkogstad (in draft)	<u>01/02/90</u>
CONT, RHager	<u>4/5/90</u>
OPED, FManteiga (in draft)	<u>12/19/89</u>
ORD, GStraub (in draft)	<u>12/19/89</u>
ADM, EAker (in draft)	<u>12/27/89</u>
DDIR, SWingert	<u>4/5/90</u>
RLA, MWilliams by cable	<u>4/5/90</u>

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