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AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT PAPER FACESHEET		1. TRANSACTION CODE <input type="checkbox"/> A ADD <input type="checkbox"/> C CHANGE <input type="checkbox"/> D DELETE	PP 46p 2. DOCUMENT CODE 3
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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	43	207	250	815	1,085	1,900
GRANT	43	207	250	815	1,085	1,900
LOAN						
OTHER U.S. 1.						
OTHER U.S. 2.						
HOST COUNTRY		57	57		1,342	1,342
OTHER DONOR(S)						
TOTALS	43	264	307	815	2,427	3,242

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH CODE		E. 1ST FY <u>78</u>		H. 2ND FY <u>79</u>		K. 3RD FY <u>80</u>	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) EH	664	721		250		350		700	
(2)									
(3)									
(4)									
TOTALS				250		350		700	

A. APPROPRIATION	N. 4TH FY <u>81</u>		O. 5TH FY <u>82</u>		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED
	C. GRANT	D. LOAN	F. GRANT	G. LOAN	T. GRANT	U. LOAN	
(1) EH	300		300		1,900		MM YY <input type="checkbox"/> 09 <input type="checkbox"/> 79
(2)							
(3)							
(4)							
TOTALS	300		300		1,900		

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 NO
 2 YES

14. ORIGINATING OFFICE CLEARANCE		15. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS. DATE OF DISTRIBUTION	
SIGNATURE <i>[Signature]</i>		DATE SIGNED	
TITLE Assistant Director		MM DD YY <input type="checkbox"/> 03 <input type="checkbox"/> 16 <input type="checkbox"/> 78	

PROJECT PAPER
INSTITUTE OF MANAGEMENT AND TRAINING
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3. a continuing program of administrative and management reform and skills up-grading within government organizations accomplished collaboratively by the IMT and the training organizations of the various development ministries and agencies involved.

D. Summary Findings

Based on technical and financial analyses accomplished by the project preparation team in collaboration with the Institute of Management and Training and the Planning Commission Office, the project is judged financially and technically feasible. Because of the dynamic character of the project including the heavy emphasis on organizational and behavioral changes, the circumstances in which the project will be implemented and the collaborative style of technical assistance envisaged, considerable flexibility has been provided for in the implementation plan so that changes and adjustments can be made in later years based on experience obtained in early stages of implementation. Accordingly, the project will be implemented on the basis of jointly agreed annual plans. However overall requirements for the full five years have been determined, amounts and types of technical assistance have been agreed upon, costs fixed. Thus approval of the five year project is warranted in terms of needs and cost analysis.

Ethiopia is in the midst of a revolution and its relationships with the United States, including the foreign assistance relationship is undergoing severe testing and change. These circumstances are well recognized and have been the source of considerable discussion and analysis between the technical consultants, USAID and Ethiopian officials during the preparation of this project. Based on this analysis and discussion it is the considered opinion of all parties concerned with preparation of this project that its implementation is feasible and desirable.

The project meets all applicable statutory criteria as set forth in Annex D attached hereto.

E. Project Issues

Section 116 of the Foreign Assistance Act requires that this project directly benefit the needy. The degree to which this will occur was raised by AID/W during prior project reviews. The issue is addressed in Part III. C. and IV. A. of the paper. The USAID opinion is that the project adequately meets Section 116 criteria, in that a direct connection exists between the activity to be supported and benefit for the needy (see elaborative guidelines provided by AIDTO Circular A-450 dated December 31, 1977).

II. PROJECT BACKGROUND AND DETAILED DESCRIPTION

A. Background

1. Ethiopia: Pre and Post Revolution

The problem of achieving economic and social development in Ethiopia must be examined in the context of the structure of Ethiopian society both prior to and after 1974. Pre-1974 Ethiopia was a feudalistic society. The rural poor who constitute 90 percent of the country's population were largely landless and engaged in traditional agriculture on a share crop or rental basis. Moreover, not unlike most other traditional societies, social and economic opportunities were limited to the small educated elite. These factors contribute to why Ethiopia is today, on any scale of social and economic indicators, one of the world's least developed countries.

Since February, 1974, Ethiopia has been in the process of a major political and social revolution. On the political level, the imperial monarchy has been disestablished and a revolutionary military government committed to a socialist course of development has come to power. In March, 1975, the government decreed public ownership of all rural lands, and immediately embarked on a land redistribution program which ended the centuries-old practice of land tenancy. The land distribution program represented one of the most wide-sweeping reforms of this kind in the underdeveloped and least developed world. In the proclamation setting forth the land redistribution program, the government's stated development objectives are (1) to increase agricultural production, (2) provide work and increase incomes, and (3) eradicate poverty and disease. To achieve these objectives, the GOE seeks to engage the rural and urban population in a cooperative endeavor for development.^{1/}

Peasant Associations have been widely established and designated to carry out such development activities as (1) administration and distribution of public property, (2) establishing marketing and credit cooperatives, and (3) building clinics and schools.^{2/}

In the urban areas, Urban Dwellers Associations, Kebeles, have been established, and like their rural counterparts, are designated to carry out government-initiated, as well as association-initiated activities. The government's urban development objectives are to (1) reduce inequities in the provision of services among urban dwellers, (2) improve standards of living, (3) improve shelter for the poor and (4) increase self-reliance among the urban masses. Urban Associations are, for example, empowered to construct and manage low cost housing,

^{1/} Proclamation No. 31 of 1975.

^{2/} Proclamation No. 71 of 1975

construct and manage communal facilities for health, education, recreation services, and performs such other administrative functions as vital statistics registry, rent collection and public welfare distribution. 3/

The involvement of the rural and urban masses in the tasks of development has thus become a major effort of the Government. However, since the literacy rate is extremely low (estimated at 7%), the administration of local development activities of the scope envisioned through local popular associations presents enormous problems. Since there is no precedence for participation by the Ethiopian masses in planning and carrying out their own affairs, administrative experience at the association level is virtually non-existent. At the same time the capability of the government structure is weak. Except for central government ministries, ministry division heads, and provincial administrators, most of the estimated 110,000 employee Ethiopian public service possess only a high school education and have had no specialized management training.

The problem facing the government now is how to improve the capacity of the rural and urban masses through their popular organizations to manage local development projects and, simultaneously, improve the central government's administrative capability to plan, coordinate and deliver the resources to support these undertakings and accomplish the country's overall development objectives.

2. Past Administrative Problems and Development in Ethiopia

It is generally agreed that progress in improving economic and social conditions in Ethiopia for the rural and urban masses has been slow. In a report prepared by a United Nations expert who served as an advisor to the Government of Ethiopia from 1971-1975, one factor cited for the slow progress was administrative inadequacy. 4/ The problem of administrative inadequacy has widespread acceptance among development experts as a critical variable affecting the implementation of development plans. Further, such experts agree that development projects which ignore the weaknesses in the country's administrative infrastructure risk failure.

The relationship between the problem of administrative inadequacy and the implementation of local development plans has also been recognized by government officials. The following comments appeared, for example, in the former Ethiopian Government's Third Five Year Development Plan (1968-1973).

3/ Proclamation No. 104, 1976

4/ United Nations, Assistance to the Ethiopian Institute of Public Administration, New York, 1975.

"The long term soundness of the economy will clearly depend upon the preparatory policies and measures described above. But the country's administrative capability for initiating and seeing through these crucial policies must also be strengthened immediately. To leave the organizational aspects unattended until late in the third plan period will be to invite failure. the key objectives for the immediate future are the increase in efficiency of public administration activities. 5/

"The success or failure of the national plan will depend more upon the country's administrative ability than upon other factors. Administrative weaknesses can permeate every corner of the economy; the success of the plan will depend on the structural and organizational capability to utilize to the full the available resources." 6/

The problem was further articulated in the introduction to a subsequent report entitled, "Administrative Constraints that Hamper Plan Implementation" (The Institute of Public Administration, April, 1973) which stated: "The basic premise of this discussion on administrative constraints is that the improvement of the administrative capability of the Ethiopian Government is a key variable in the equation of the country's programs." This report also identified several specific constraints to development which include centralized control, lack of delegation, poor communications, organizational proliferation, coordination, personnel policies and practices, budgetary and financial administration, supply management and office methods and practices.

3. Previous Actions Taken to Confront Problems

The first significant step to confront the problem of administrative inadequacies was taken in 1954 when the Ethiopian Government requested the United Nations to establish an Economic Development and Public Administration Institute in Ethiopia. This request eventuated in a 1956 agreement with the United Nations Technical Assistance Administration which established the Institute of Public Administration; the function of which was to improve the organization and performance of government through consultation, training and research. 7/ In fulfilling this mission the Institute conducted training courses in personnel adminis-

5/ Imperial Ethiopian Government, Third Five Year Development Plan (1961-1965 E.C.), 1961, p. 40.

6/ IBID, p. 144.

7/ Public Service Commission, "Institute of Management and Training", Addis Ababa, January, 1976.

tration, public finance, work simplification, accounting and in other related fields. 8/ With limited resources and operating within a still traditional society, the impact of the actions taken by the Institute to improve Ethiopian administrative systems and performance had limited effect. Moreover, since the Institute's training activities were primarily aimed at improving the central government bureaucracy, local administration was unaffected.

Following the 1974 Revolution, the former Institute of Public Administration was renamed and reorganized as the Institute of Management and Training (IMT) and given a leading role in improving the capacity of the government administration to meet the challenges presented by the new situation. In a report submitted to the new national leadership IMT characterized the situation as follows:

"The public administration sector in Ethiopia has more than ever a far reaching goal to achieve in the development of the country. The system inherited from the old order is not at all in a position to fulfill this objective. A total transformation of the system is a prerequisite to realize rapid development.

The revolutionary changes now taking place in this country demand two essential measures.

First, developing the administrative system to meet the requirements of a rapid economic development.

Secondly, changing the administrative sector with a view to coping up with the new situation brought about by the socialist revolution." 9/

USAID assistance to IMT was initiated in FY 76 through the mechanism of the African Manpower Development Program (AMDP). This assistance supported training activities directed specifically at local government personnel. During 1976/77 eighteen courses were conducted with a total of 1,824 participants. Drawing upon the experience obtained from this activity, IMT, with the help of expert consultants furnished by AID, has developed the present project.

8/ The Institute also conducted research on administrative problems which resulted in published documents related to administrative procedures and regulations. Included in these were travel and allowance regulations, powers, and duties of administrative services, index of the written laws of Ethiopia, and an administrative directory of the Ethiopian Government.

9/ Public Service Commission, "Institute of Management and Training", January, 1976, p. 4-5.

B. Detailed Project Description

"Improving Ethiopian Management to Stimulate Central, Urban and Rural Development" is a five-year project of the Institute of Management and Training. It will be jointly financed by the Government of Ethiopia and USAID.

The project will support the Government's goal of mobilizing urban and rural communities to achieve development. This mobilization will be stimulated by (1) increasing responsibility of the communities for their own activities as manifested in the effective functioning of popular associations; (2) the effective and timely support of these local activities by other levels of governmental administration, particularly improved delivery of services and resources to support the efforts of the local population.

IMT will support this mobilization effort by carrying out expanded training, consulting and action research. AID assistance will both directly support the expanded IMT effort and concurrently assist IMT to expand its technical competency. See Annex A for a detailed list of inputs.

It is anticipated that a total of approximately 5,200 persons will be trained during the life of the project. During the first two years heavy emphasis will be placed on training over 500 local trainers who will in turn be responsible for providing basic administrative skills training to personnel of urban and rural associations, including farmers' cooperatives. This training is absolutely essential in order for these organizations to be able to handle the administrative functions which have been devolved upon them. These organizations are the new point of critical interface between the government and the population and have been accorded the major role in getting development to the people. Training will be provided in basic skills of management, bookkeeping, record-keeping, communications, etc.

Training will also be conducted for 200 officers who will be responsible for establishing or expanding training elements located in various ministries and other public agencies. This will be a major step in expanding the Government's very limited manpower development capability and in reducing the excessive centralization which has handicapped past development administration. Virtually every study done by donor agencies as a prelude to initiation of development projects has cited shortages of skilled manpower as a critical impediment. These training elements will be responsible for skills up-grading through intensive short-term training courses such as the Agriculture Capital Projects

Analysis course recently successfully completed by the Ministry of Agriculture with U.S. technical assistance. Intensive, in-country, work-related skills development courses of this type are the quickest most cost-effective means of reducing the skilled manpower shortages which currently inhibit all areas of development activity.

Coincident with the above activities, and in support of them, the IMT staff and program will be upgraded and/or expanded through a combination of long and short-term out-of-country training and short-term in-country training and consultancies by U.S. and Third-country experts. Emphasis in IMT skill development will be in the following areas: (1) Research Methodologies; (2) Organization and Management Analysis; (3) Training Methods and Techniques; and (4) Modern Management Concepts and Practices.

The above skill upgrading will be combined with the results of IMT action research and the feedback obtained from training activities in the early years of the project to develop more carefully tailored and increasingly sophisticated training activities during the latter stages of the project. This package of activity will establish the basis for a self-sustaining system of longer-term administrative development involving IMT, in partnership with development ministries and agencies and local organizations.

Training programs in later stages of the project will be more directly tailored to overcoming specific problem areas and reinforcing successful behavioral experiences in the administrative process, which have been identified through earlier training and elaborated through ongoing evaluative research activity. The combined results of direct IMT activities, and those of trainers trained by IMT should, by the end of the project, have reached a sufficient critical mass to provide for a self-reliant and self-sustaining level of activity. During the life of the project efforts will also be made to facilitate linkages between IMT and other national and international centers concerned with training and research in local development administration and management, particularly those located in Africa, from which some of the external consultant expertise will be derived. Exchange of talent and joint research on training program development may be possible during later stages of the project.

The expanded activities of IMT financed by AID as part of the project will require a source of continuing financing once the project is concluded. The Ethiopian Government will be encouraged to insure that IMT's annual operating budget is adequate to cover the costs of its training program and that funds are provided to provincial and sub-provincial governments to continue the training of personnel of urban and rural organizations. It is also expected that government organizations at the national level will budget for the operations of their own training activities and for the utilization of IMT training research and consulting services on an annual basis.

III. PROJECT ANALYSIS

A. Technical Analysis

As discussed in Part II, the Ethiopian revolution has produced a new situation. A radical transformation of the society is now underway. The devolution of decision making authority and primary responsibility for national development into the hands of the hitherto disenfranchised masses has created a situation to which the Government administrative practices and procedures of the past are not only unsuited but in many instances totally irrelevant. The challenge facing the Ethiopian National Government administration is to bring into existence new administrative mechanisms and processes which will facilitate both the societal transformation now underway and the process of broadly based self-sustaining development which this transformation makes possible. The object of this project is to enhance the capability of the National Government administration and the new popular organizations to accomplish the task. Neither the project itself or IMT as the primary implementing entity can create a sufficient capability within the project's time frame irregardless of the size of the effort undertaken. But it is reasonable to hope that the project and IMT can initiate a process which, if self-sustaining after the project's conclusion, will over time bring about such a capability.

The capability sought is twofold and two level in character. At the level of the popular associations it is absolutely essential that a minimal capability be created within the shortest time period possible to administer basic services and to plan and implement basic development activities utilizing locally available resources combined with services and support furnished through higher administrative channels. At the higher levels it is essential that Government administrators be introduced to new styles of management and administration which motivate and stimulate staff, promote team-work and interactive processes and enhance productivity. In particular, it is important that administrators become more proficient at positively supporting and reinforcing the development activities of popular organizations, which by government policy have become the "cutting edge" of the national development effort.

Effective techniques for training managers and administrators in management styles which are facilitative of the Government's policy goals and development approach have been developed and successfully applied in other countries. In the public administration field essentially what is involved is replacement of traditional static structural concepts of public administration with a more dynamic behaviorally oriented approach.

In this project the new technology will be introduced gradually as part of the consulting training and research which IMT is already carrying out, which will be intensified and expanded during the life of the project.

The most important feature of the project, in terms of reaching a sufficient critical mass to make the impact self-sustaining, is the replication achieved through the training of trainers component. The quality of the initial training and the degree of reinforcement provided to the subsequent training activities of the trainers will be critical in the success of their efforts and therefore attaining the project purpose. A means for collecting and analyzing data, on the basis of which a systematic appraisal of results being obtained can be conducted on at least an annual basis, has accordingly been built into the project implementation process.

During the course of conducting the technical analysis, the Project Paper preparation team established that an effort to program the full five year implementation of the project in detail would be unrealistic and self-defeating. Overall requirements for the five years have been determined, amounts and types of technical assistance have been agreed upon and costed, and maximum construction costs fixed. Thus approval of the five-year project is warranted in terms of needs and cost analysis. However, detailed implementation within the total plan should reflect growth and experience by both IMT and the technical consultants. Immediate needs are known and have been already identified; they form the basis for initial training, staff development and consulting activities to be conducted during the first year of project implementation. However to be most useful activities beyond that point must be tailored to data collected and experience obtained during the initial year of project implementation, particularly the feedback obtained from the recipients of training and other services provided; and research on management constraints being encountered in the conduct of new development approach which the government has taken. Therefore, a process has been built into the project whereby after year one implementation activities for each forthcoming year will be further specified within the parameters of the project purpose and description and the approved financial plan. These specifications will be derived from the annual evaluations as described in Part IV.C. It is the judgment of all parties involved in the project design that this is the most feasible and technically sound approach to follow given the character of the project and the situation in which it will be implemented.

A final decision on the construction component has not been made. However no funds for construction activities are programmed until the second year of the project. Required engineering plans and specifications will be reviewed and approved prior to obligation of funds for construction.

The project meets FAA Section 611(a) and (b) requirements in both its overall planning and costing, and in terms of scheduled engineering review prior to obligations for construction.

B. Financial Analysis and Plan

The financial implications of the project have been thoroughly reviewed with the Ethiopian Government and provision has been made by the government for the funds needed to cover increased IMT staff and operating costs. The government's annual budget allocation for IMT is projected to increase from an annual budget of US\$184,282 in 1978 to an annual level of US\$285,593 in the final year of the project. The professional and administrative staff of IMT will be increased from 56 to 100 by end of project. The IMT has demonstrated full financial management competence in handling previously furnished USAID assistance and is judged capable of managing project resources with the increased financing and administrative staff indicated above.

In order to provide for continuation of IMT program operations at least at a level equivalent to that reached in the concluding year of the project without further external assistance, the Ethiopian Government will be encouraged to insure that IMT's annual operating budget is adequate to cover the costs of its training program and that funds are provided to provincial and sub-provincial governments for continuation of the training of personnel of urban and rural organizations. It is also expected that government organizations at the central level will budget for the operations of their own training activities and for the utilization of IMT training research and consulting services on an annual basis.

Financial Plan

Total grant project costs have been estimated at US\$1,900,000 of which US\$1,085,000 will be financed with local currency funds. The GOE contribution will be US\$1,342,000, the following tables are presented to clarify project costs.

Table II provides an estimate of both USAID and Ethiopian Government expenditures for each project implementation year. Since project implementation will begin in the final quarter of U.S. FY 78 (July-Sept. 1978), the first project implementation year runs from July 1978 to September 1979.

AID will disburse funds provided in accordance with procedures to be set forth in Project Implementation Letters. It is anticipated that Letters of Commitment will be used for foreign exchange costs of consultants, while advances followed by quarterly reimbursements will be made for local currency costs. This is consistent with disbursing procedures followed under the AMDP project. Standard PIO/P procedures may be used for participant training abroad or AID will reimburse IMT for such training costs.

The financial plan as represented in Tables I and II is considered the closest approximation of costs possible given the importance of retaining the flexibility required by the character of the project.

C. Social Analysis

The social context in which the project will operate has already been addressed in Part II. A. of this paper, the earlier Project Review Paper and other documents identified therein. These documents are available in AID/W and will not be repeated here. The points to be emphasized with respect to the socio-cultural feasibility of the project are that a radical cultural transformation is in process and that for the first time in Ethiopia's history organizational mechanisms exist through which the broad masses of the population can participate actively in the national development process. The basic purpose of this project is to strengthen the capacity of these organizations to take advantage of this opportunity and to improve the capacity of the national government structure to provide necessary administrative and resource delivery support to their efforts.

The organizational mechanisms through which the local population will participate in the project are their respective rural and urban associations. In the rural areas provision has been made for groupings of farmer associations (not less than 3 and not more than 10) coming together to form service cooperatives. These cooperatives will perform a range of functions of benefit to the local population such as distributing agricultural inputs; providing and managing credit; promoting better health services and supplying consumer goods. The latter function is extremely important because lack of consumer goods in rural areas has been a disincentive to increased production and marketing of agriculture produce by farmers with consequent negative impact on the urban poor.

The primary government links with the popular associations are the Revolutionary Operations Coordinating Committees (ROCCs) at the sub-district, district and province levels. Both popular association leaders and local ministerial officials are members of these committees at the sub-district and district levels. The committees were created

TABLE I

Summary Cost Estimate and Financial Plan
(US\$ 000)

<u>Source</u>	<u>AID</u>		<u>GOE</u>		<u>TOTAL</u>	
	<u>FX</u>	<u>LC</u>	<u>FX</u>	<u>LC</u>	<u>FX</u>	<u>LC</u>
1. Technical Services <u>1/</u>	180				180	
2. Participant training <u>2/</u>						
a. short-term	308				308	
b. long-term	100				100	
3. IMT outreach training		470				470
4. IMT personnel						
a. professional staff				851.1		851.1
b. administrative staff				309.5		309.5
5. IMT operating expenses				181.4		181.4
6. Commodities	93	187			93	187
7. Construction/renovation training centers		250				250
Sub-total (1)	681	907				
8. Contingency <u>3/</u>	68	91			68	91
Sub-total (2)	749	998				
9. Inflation <u>4/</u>	66	87			66	87
Total <u>5/</u>	815	1,085	1,342		815	2,427

1/ and 2/ Travel costs are included in items 1 and 2 above.

3/ Contingency placed at 10% of the sub-total (1).

4/ Inflation factor is flat rate of 3.77% of sub-total (2).

5/ Totals have been rounded.

TABLE II
FIVE YEAR EXPENDITURE PLAN *
(in US\$000)

ITEMS	July 78- Sept. 79		Oct. 79- Sept. 80		Oct. 80- Sept. 81		Oct. 81- Sept. 82		Oct. 82- Sept. 83		TOTAL
	FX	LC									
<u>USAID</u>											
Consultancy	75		45		30		30				180
Short-term Training	73		102.2		73		59.8				308
Long-term Training	30.4		41.6		28						100
INT Out-Reach Training		100		100		78.3		75.6		116.1	470
Commodities	42.9	109.7	50	50		9.4		9		9	280
Construction		100		150							250
Contingency	21.9	31.3	23.9	30	13.1	8.8	9	8.5		12.5	159
Inflation			36	34	20	15	12	15		21	153
TOTAL USAID	243.2	341	298.7	364	164.1	111.5	110.8	108.1		158.6	1,900
<u>GOE</u>											
INT Personnel-Professional		141.8		160.9		171.6		185.5		191.2	851
Admin. Staff		49.7		53.2		64.9		69.0		72.7	309.5
INT Operating Expenses		34.5		35.1		35.9		37.2		38.8	181.5
Total GOE		226.0		249.2		272.4		191.7		302.7	1,342

* Costs for training and consultancy correspond to the schedule for these inputs as shown on pages 23 & 24.
Detailed budget is found in Annex A.

to coordinate the activities of different government ministries within a locality and to insure that the local population has a direct input into the decision making process with respect to the activities of the various ministries. The hierarchy of committees is intended to promote communication and coordination on development issues between local, regional and central levels. A major output of the training to be provided under the project is to help these mechanisms function more effectively.

A similar set-up exists in the urban areas. Urban neighborhood cooperative associations (kebeles) work with government agencies in administration of schools, clinics, food distribution, land and housing rentals, etc. In large urban areas each local association has elected representatives on a series of higher level administrative councils which are responsible for decision-making over a wide range of areas affecting the welfare of urban populations. Because of the interlocking character of the various levels of organization the IMT training and research activity will concentrate on discovering and identifying means of overcoming constraints and improving performance at all levels of the process.

While the initial beneficiaries of the activities undertaken in the project will be the association leaders and public service employees who receive the training, the ultimate beneficiaries are the local populations who are in most need of the services and development programs initiated and administered by or in cooperation with the organizations whose personnel will be trained.

The focus of the training will be on practical operational skills and problem solving emphasizing immediate responses to basic needs. The project will focus heavily on the process method. That is, the process by which the training is provided will receive as much or more attention as the content. This will also be the case both for the external and internal assistance programmed. Emphasis will be placed on team building among the parties involved and on identification, utilization and even creation of new tools, instruments and mechanisms to assist those involved in the project to work together more collaboratively and effectively, taking account of the new relationships which are emerging as a result of the social and political revolution which is taking place within the country. Not only is this approach more truly collaborative, it also is expected to produce more dramatic results in improving the service character and popular effectiveness of development organizations with which IMT works.

Role of Women

The role of women in Ethiopia is typical of most traditional societies insofar as the role which women are expected to play. Traditional customs and values have been characterized as making women an "oppressed" group in Ethiopian society.

In terms of the Ethiopian public service, the majority of women are confined to lower level clerical positions, with very few represented in the higher echelon of the administrative structure.

The revolution of 1974 took cognizance of the status of women by decreeing under the Public Ownership of Rural Lands Proclamation of March 1975 that women would have equal rights to use agricultural lands. There is evidence that the question of the future status of women as equal partners in the development of Ethiopia is being pursued. For example, 18% of the kebele officials in recent elections were women. Women, and their important role in the revolutionary society, are receiving considerable emphasis in government policy pronouncements and in the mass media. Thus, we believe a special effort has begun and that in this project training programs can and should prepare women for leadership positions within the new bureaucracy.

IV. IMPLEMENTATION ARRANGEMENTS

A. Analysis of the Recipient's and AID's Administrative Arrangements

1. Recipient

a. Ethiopian Government Administrative Units Involved

The Institute of Management and Training (IMT) is the prime administrative unit responsible for carrying out the project. The Institute will organize, manage and implement the training programs and provide consultation to the GOE on those aspects of the central government's organization and procedures which inhibit the delivery of resources needed for local program implementation. ^{10/} Specific activities of the Institute will include organization and methods consultations, training needs assessment, program scheduling, participant identification, development of training materials, logistical preparations, preparation of instructional personnel and project evaluation. The

^{10/} IMT's key role in government reorganization plans was demonstrated recently when a proposed reorganization of the Ministry of Agriculture was presented to the Head of State who okayed it in principal but directed that it be examined by IMT in terms of the management aspects.

Institute will also utilize training resources from the Central Government ministries, the Addis Ababa University ^{11/} and from private and public sector corporations. The Institute will draw upon professional and technical consultation on management training methods and for staff training in specialized management areas from out-country sources.

As noted in Part II. A., the Institute has been in existence since 1954. In 1973, the Institute was reorganized and administratively placed under the Public Service Commission, with the latter being directly responsible to the Council of Ministers.

The general purpose of the IMT is to assist the Government of Ethiopia achieve its goals of rapid development with emphasis upon the rural and urban community resources and the efficient and effective delivery of services to the people. This statement places the Institute in the role of a key development agency of the government. Specifically, the IMT is charged with (1) providing in-service training to public servants, (2) providing consultation to government ministries on organization and management problems, (3) providing broad guidance on matters of governmental reorganization and administrative modernization, and (4) undertaking applied research on administrative problems. The organizational structure of the IMT, with departments in training, organization and methods, and research and documentation, conform to the organization's programmatic objectives.

The Institute has achieved commendable performance in several areas of its program. The IMT has conducted, for example, in-service and pre-service training in such areas as (1) general administration, (2) work-simplification, (3) personnel administration, (4) financial administration, and (5) governmental accounting.

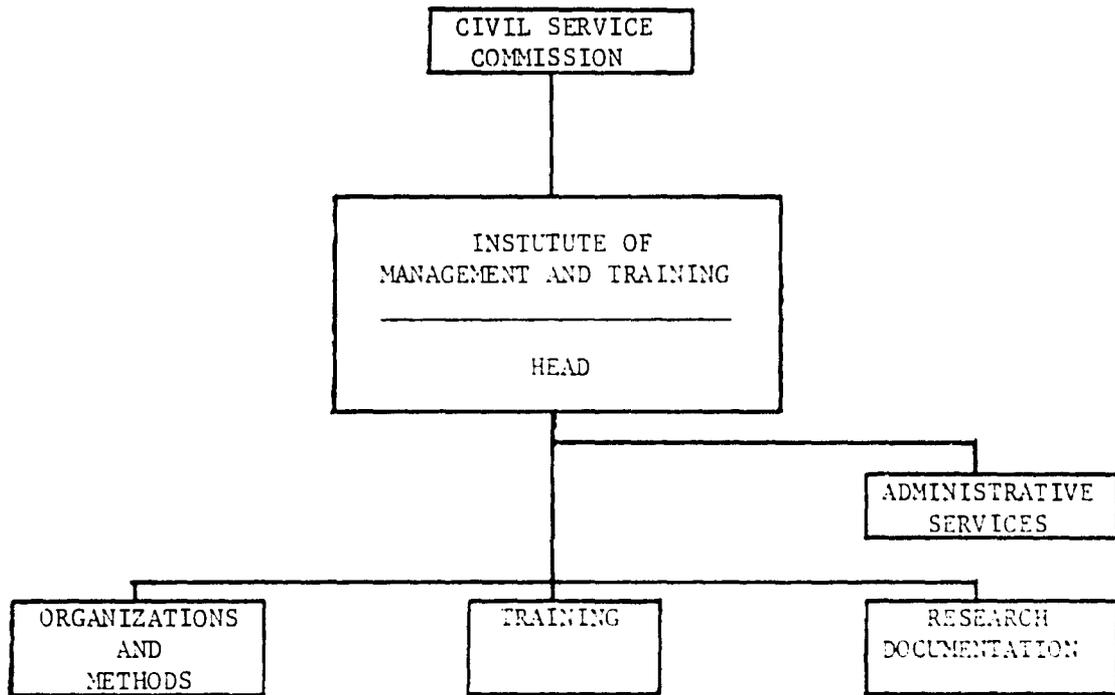
More recently, to meet the crisis needs emanating from the decentralizing and devolutionary administrative reforms, the IMT instituted a program to provide training to local administrators covering areas of supply management, personnel management, leadership, record management financial management, and human relations.

With assistance provided by AID, the Institute exceeded its target goal of 150 administrators and provided training to over 600 provincial and sub-provincial administrators. Using borrowed residential facilities in rural areas, administrators were provided intensive training in the management areas noted above. Instructional materials for this training were developed exclusively by the Institute.

^{11/} The Addis Ababa University has a small Public Administration Faculty and a School of Business Administration. Faculty from these two units have participated as instructors in the IMT's training programs.

CHART I

ORGANIZATION OF THE IMT



USAID consultants who made on-site visits to these training activities while they were in process observed the following:

- (1) high motivation among training participants;
- (2) above average instructional presentation and subject-matter competence;
- (3) good program organization and management;
- (4) rigid training methods, i.e., primarily lectures.

Considering the staff limitations and constraints under which this program was planned and implemented, the results were impressive. The IMT is however, especially sensitive to the problems of large group size when conducting training and recognizes the need to diversify training methods such as the use of more audio-visual aids, small group discussions, simulation, role-playing, and video-playback exercises. This crash training program experience, however, reflects the IMT's capability for undertaking the training programs scheduled within the project with external technical assistance in the above noted areas.

IMT has the essential management capability to execute the Project, provided its present staff is augmented/upgraded as provided for in the project. The rapid revival of the Institute in the past two years, the clear mandate and demand for its services which presently exists, and the attention which the project's development has received within other parts of the government, particularly the careful analysis of both GOE and USAID inputs required, provide evidence that adequate administrative commitment exists on the Ethiopian Government side.

The mechanisms and procedures for accomplishing the training and research portions of the project already exist. Although they have not previously been employed on the scale envisaged, test applications in both areas have been successful: one example, the prior training accomplished by IMT with assistance provided under AMDP; and the field training requirements analyses done by IMT, particularly a recent assessment done in Gemu Gofa in connection with the USAID supported rural development project being conducted by the Provincial Administration. The Gemu Gofa project is serving as a highly useful testing ground from which insights on administrative problems are emerging which will help guide implementation of the IMT project.

In sum we believe a basis exists for adequate coordination of functions. However it should be kept in mind that the basic purpose of the project is to facilitate the adoption and institutionalization of new administrative practices which represent a sharp break from the past, hence difficulties will no doubt arise during the course of implementation

and flexibility has been designed into the project to provide for this.

IMT has indicated its intention to contract directly for external technical assistance services and commodities and is fully capable of doing so. Assistance will be available from the USAID Regional Contract Officer stationed in Nairobi as well as USAID. The latter will monitor the process to insure appropriate procurement procedures are adhered to. It is anticipated that the collaborative assistance approach will be utilized in view of the previously discussed difficulty in defining in advance precise technical assistance inputs and long-term project content.

The question of administrative arrangements to reach and involve the target population is very important. Concern for this was expressed by AID/W in the PRP Review. It is the USAID's judgment that improvement of the capability of the leadership of popular rural and urban associations to perform their development functions, both in terms of mobilizing local resources and in acquiring and effectively utilizing government and foreign donor resources now available to them, is essential to insuring development benefits to the needy. This has already been demonstrated in the World Food Program. The following is quoted from the semi-annual Progress Report on the WFP Conservation Activity for the period 1 April - 30 September, 1977:

"In most areas the cooperation of Peasant Associations in making land available for reforestation, terracing, hill side protection and in undertaking other conservation works, has improved. Initial reluctance or suspicion has been overcome and once the associations have seen its benefits they are eager to participate in the project to the extent that work is now being performed without food incentives or at least with greatly reduced food incentives. Approximately 508,200 mandays of free labor were performed. Much of the work was organized by the Peasant Associations themselves, who were also responsible for the issuing of food rations. This could not have been possible prior to the formation of Peasant Associations and they could be an asset in the further development of the project if representatives are given some training."

Peasant Association cooperation and participation will be even more critical to the government's "Minimum Package II" major agricultural program which will receive joint IBRD/SIDA/AID funding support. Most of the resources of this \$90 million program will be channelled through and managed by farmers' associations.

It is clearly unrealistic to expect the Institute of Management and Training, with its limited staff, to directly reach the 30,000 Peasant Associations and 2,000 urban dwellers associations. Instead, the project provides for IMT to train local, provincial and central government officers who will be working directly with and themselves train the leadership of these associations. Through this process, which will be highly interactive and in which the IMT role is critical, the poorest elements of the population will become both the principal beneficiaries and active participants in the project.

2. AID

AID monitorship of the project will be vested in the USAID General Development Officer responsible for the Education and Human Resources sector. This officer has already been nominated and concurred in and will arrive at post in June, 1978. He is uniquely qualified both by virtue of this previous AID experience and his earlier participation in the initial project conceptualization meetings with IMT in October/November, 1976. He will bring to the project considerable knowledge of efforts underway elsewhere in Africa and other developing world regions to mobilize popular participation in the development process and to introduce new management styles into development ministries and popular organizations. His personal acquaintance with leaders of these activities will facilitate professional contacts and exchange of experience between IMT and such activities. His knowledge of appropriate sources of technical expertise in the U.S. and other countries will be available to IMT in locating, assessing and selecting sources of external training and technical assistance. Services of the REDSO/EA engineering office and the supply advisor will be utilized in connection with USAID review of facility renovation/construction and commodity procurement activities.

AID funds will be disbursed under standard operating procedures which will be set forth in Project Implementation letters. These will provide for either advance to IMT to undertake agreed project implementation activities or reimbursement to IMT for expenses incurred in connection with such activities.

B. Implementation Plan

Assuming AID/W project approval by May, 1978, it is expected that the Project Agreement will be signed with the Ethiopian Government in June. Given the intensive consultations with the government which have occurred during project preparation, it should be possible to negotiate the Project Agreement with minimal difficulty unless issues arise during the final approval process here or in AID/W which require further discussion or negotiation. However due to lateness of approval in the fiscal year, activities in FY 78 are

limited to initiation of IMT outreach training and initial commodity procurement. A waiver will be required for procurement of two audio-visual equipped Toyota vehicles for use in remote areas. Justification is included as Annex F to this Project Paper.

Beginning FY 79, activities will be initiated for short and long-term off-shore training, external technical assistance and facilities renovation and construction. Planning for this is as follows:

Off-Shore Training

IMT staff training requirements are estimated at a total of 210 person-months with 126 for short-term, nonacademic training and 84 for long-term academic training.

The schedule for these two types of training is as follows:

	Total	Person Months			
		Jul 78 Sep 79	Oct 79 Sep 80	Oct 80 Sep 81	Oct 81 Sep 82
1. <u>Short-term (Nonacademic Trng.)</u>	126				
a. Organization Development	36	12	12	12	-
b. Training Methodology	12	-	6	6	-
c. Effective Supply Management System	12	6	-	-	6
d. Financial Management as a tool for decision making	12	-	6	6	-
e. Personnel Adm. with emphasis on motivation, leadership and productivity.	12	6	6	-	-
f. Quantitative techniques for managerial decision making	12	-	-	6	6
g. Office Productivity	18	6	6	-	6
h. Action research methods	12	-	6	-	6
2. <u>Long-term (Academic Training)</u>	84				
a. Action research methods	24	12	12	-	-
b. Financial Management Processes	24	-	12	12	-
c. Management Decision Making	36	12	12	12	-

NOTE: Anticipated duration for the short-term training is 6 months including two months of internship.

External Technical Assistance

Technical assistance areas of specialty are related to the project outputs expected in terms of trained personnel as follows:

<u>Outputs</u>	<u>Technical Assistance Subject Areas</u>
1. Selected Local Government Trainers Trained	1. Organizational Development; Training Methodology; Local Government Reform; Leadership; Motivation and Productivity.
2. Selected Provincial/Central Government Trainers	2. Organizational Reform; Effective Supply Management Systems; Financial Management; Training Methodology; Leadership; Motivation and Productivity.

Technical assistance will begin in US FY 79 and continue to FY 82. In terms of person-months, it is estimated that a total of 24 person-months will be required, and distributed as follows: 12/

<u>FY 1979</u>	<u>FY 1980</u>	<u>FY 1981</u>	<u>FY 1982</u>
10	6	4	4

Choice of technical assistance source is considered extremely important. Both IMT leadership and the USAID Project Monitor are expected to play a major role in choice of technical assistance. In-country office space, secretarial assistance and related administrative services will be provided by IMT. Housing and transportation expenses will be included in the contract. Limited medical care, mail pouch, service and currency exchange services will be provided by the Embassy in accordance with current State/AID policy agreements. All technical assistance consultations will be short-term (i.e., less than one year) in duration.

Facilities Construction and Renovation

The best alternative for meeting IMT's expanded office and training space requirements has not yet been determined. Options include (a) expansion/renovation of the existing facility, (b) renovation/alteration of another existing facility, and (c) construction of new building(s). Since sufficient funds for the latter alternative have not been included in the Project Paper, additional funding by another donor or the Ethiopian Government would be required for this option. Plans for construction or renovation of physical facilities are scheduled to be completed by August, 1978.

12/ The cost per person month has been computed at \$7500 per PM. This is based on costs for U.S. consultants. The total PM may be increased if African consultants are used at lower cost.

Implementation Schedule

In view of the dynamic situation in Ethiopia and the importance of fully involving both the technical consultants and project beneficiaries in the implementation process to the maximum extent, implementation planning beyond the first full year of the project has deliberately been left flexible, even though a five year training schedule and expenditure plan has been developed. Beyond implementation year one (Fy 78/79) it is anticipated changes and adjustments will be made through annual implementation plans evolving from research and training experience obtained during the year and emerging requirements and more clearly defined priorities. Taking the above into account the project implementation schedule is as follows:

1. Project Agreement signed. June 1978
2. Project monitor arrives at post. June 1978
3. Commodity procurement initiated. July 1978
4. IMT first implementation year training program initiated (see Table I Annex A) July 1978
5. Final plans and arrangements for implementation year one IMT training activities completed. August 1978
6. Begin recruitment of consultants. August 1978
7. Participant processing of first year off-shore trainees completed. September 1978
8. Evaluation of first implementation year training technical assistance and research activities completed. Revised detailed plans for implementation year two formulated. Revised tentative plans for balance of project formulated. September 1979
9. Detailed plans for each succeeding implementation year as well as revisions to the life of project plan will be undertaken on the basis of an evaluation of prior year experience at the close of each implementation year. September 1980 and onward

C. Evaluation Arrangements

1. Information/Evaluation System

Implementation of the project in a dynamic and flexible fashion using annual detailed evaluations as the basis for refinement of the next year's implementation plan will require an information system within IMT to develop the necessary data throughout the proceeding implementation year on the basis of which the annual evaluation/reprogramming can be quickly accomplished. USAID funds are provided in the project to assist the IMT's research staff to accomplish this.

The research staff will:

- a. Collect baseline data on management constraints to the effective delivery of resources and services to the local population for development purposes.
- b. Collect baseline data on training needs of local organizations and other government entities which can help overcome these constraints.
- c. Collect baseline data on the consultancy services necessary to overcome management constraints to local services delivery.
- d. Monitor the resource investment and development approach used--the inputs, i.e., money, commodities, technical assistance, etc.
- e. Monitor the initial immediate results of the inputs--the outputs, i.e., trainers trained, officials trained, consultancy services, etc.
- f. Evaluate the effectiveness of IMT training programs and consultancy services in terms of skill transfer and behavior change.
- g. Evaluate the impact of the IMT management assistance program on improving local services delivery by overcoming management constraints.
- h. Diagnose which management assistance program components work best in different administrative and social situations with various applications of resources and techniques.

To operate the above system, the data required in relation to each functional activity undertaken will have to be specified, the collection possibilities determined and appropriate methods for data collection, aggregation and analysis established. Because of its critical importance to the success of the entire project, this will be an immediate priority area of technical assistance.

2. Project Evaluation

Project evaluations will be undertaken jointly by IMT, USAID and the technical consultants. Major responsibility for evaluation will, however, rest with IMT. IMT will establish a Project Evaluation Committee with other Ethiopian Government and USAID representation which will have responsibility to develop and carry out the annual evaluations. Two months prior to each comprehensive annual evaluation the Committee will develop an itemization of activities to be reviewed. The Committee will establish guidelines for assembling and presenting data relative to these activities which will permit an objective assessment of both the results attained and, to the extent possible in so short a time period, the impact of the results on the broader goal to which the project is directed. This latter aspect will be reassessed in each annual evaluation for the entire period from project inception so that a cumulative picture is obtained.

Continuing internal informal evaluations will be carried out by IMT and the technical consultants. These assessments will focus on both content and process, with immediate feedback to appropriate project staff and organizations being served.

The purpose of the annual comprehensive evaluation is to assess progress during the preceding period so that activities scheduled for implementation in the following year may be revised and refined as appropriate. At the same time the entire project strategy and logic will be reviewed to determine whether the project should be continued as conceived, altered significantly, terminated, replaced or reinforced by new projects or activities.

D. Conditions, Covenants and Negotiating Status

The design and concept of the project, as well as the content of the PP, have been thoroughly discussed with and concurred in by the Institute of Management and Training and the Planning Commission.

In addition to the standard conditions precedent to disbursement and covenants, the agreement may include two conditions precedent to disbursement of funds for certain activities. The first will require detailed plans, specifications, and cost estimates for construction or renovation activities prior to release of funds for those activities. The second CP will require IMT to submit annual implementation plans for activities, after the first year, prior to disbursement of funds for that year.

ANNEX A

DETAILED FINANCIAL COSTS

TABLE I

Training Program

Components of Training	Subject of Training (General)	Number of Participants		Courses Scheduled Per Year					Total Number of Persons Trained
		Central	Local	Yr-1	Yr-2	Yr-3	Yr-4	Yr-5	
IMT Staff	Research Methods, Systems Analysis, Management Techniques, Training Methodology	38							38
Trainers of Ministries	Training Techniques and Methodology	200		4				4	200
Trainers of Kebele Personnel	Office Practices		75	2					75
Trainers of Peasant Assoc. Personnel	Office Practices		440		8				440
Personnel Officers	Basic Management Functions & Skills	400			8				400
Provincial Administrators	Basic Management Functions & Skills		1,450			16			1,450
Financial Officers	Financial Management Govt. Bookkeeping and Accounting	400	400				8	8	800
Supply & Property Mgmt. Executive Leadership development	Bureaucracy, Development Administration, Decision-Making, Leadership and Communications	200	400		4			8	600
		200					8		200

TABLE I

Components of Training	Subject of Training (General)	Number of Participants		Courses Scheduled Per Year					Total Number of Persons Trained
		Central	Local	Yr-1	Yr-2	Yr-3	Yr-4	Yr-5	
Record Management	Office Practice and Typing skills	200	200				8		400
Supervisors	Leadership, Work Motivation, Supervision, Human Relations, Decision-Making	200	348					8	548
O&M Officers	Systems Analysis	50		2					50
TOTAL		1,888	3,313	8	20	16	24	28	5,201

TABLE II

Manning Table of Consultants

<u>Subjects</u>	<u>Person/Months</u>						(US\$000)
	<u>Total</u>	<u>Yr-1</u>	<u>Yr-2</u>	<u>Yr-3</u>	<u>Yr-4</u>	<u>Yr-5</u>	<u>Cost</u>
1. Training Methodology (Experimental)	8	3	3	-	2	-	60
2. Quantitative Techniques for Managerial decision- making	7	-	3	2	2	-	52.5
3. Systems Analysis	5	3	-	2	-	-	37.5
4. Position Classification and salary Administration (as a tool of managerial reform)	4	4	-	-	-	-	30
Total	24	10	6	4	4	-	180

Costs based on \$7,500 per person month. While this maybe low for U.S. consultants and travel, it is anticipated that consultants from LDCs will also be utilized at a lower cost.

TABLE III

Timing and Cost of Fellowship
(in US\$ 000)

Subject Matter	Yr-1		Yr-2		Yr-3		Yr-4		Yr-5		No. of Participants	TOTAL	
	M/M	\$	M/M	\$	M/M	\$	M/M	\$	M/M	\$		M/M	Cost
Organizational Development	12	29.2	12	29.2	12	29.2	-	-	-	-	6	36	87.6
Training Methodology (Experimental)	-	-	6	14.6	6	14.6	-	-	-	-	2	12	29.2
Effective Supply Management System	6	14.6	-	-	-	-	6	14.6	-	-	2	12	29.2
Financial Management as a tool for Decision-Making	-	-	6	14.6	6	14.6	-	-	-	-	2	12	29.2
Personnel Adm. with emphasis on motivation, leadership and productivity	6	14.6	6	14.6	-	-	-	-	-	-	2	12	29.2
Quantitative Techniques for Managerial Decision-Making	-	-	-	-	6	14.6	6	14.6	-	-	2	12	29.2
Office Productivity	6	14.6	6	14.6	-	-	6	16.0	-	-	3	18	45.2
Action Research Methods	-	-	6	14.6	-	-	6	14.6	-	-	2	12	29.2
TOTAL	30	73	42	102.2	30	73	24	59.8	-	-	21	126	308.0

TABLE IV

Timing and Cost of Long-Term Training
(in US\$000)

Subject Matter	Yr-1		Yr-2		Yr-3		Yr-4		Yr-5		Total		
	M/M	\$	M/M	\$	M/M	\$	M/M	\$	M/M	\$	No. of Participants	M/M	Cost
Action Research Methods	12	15.2	12	13.2	-	-	-	-	-	-	1	24	28.4
Financial Management Processes	-	-	12	15.2	12	14.8	-	-	-	-	1	24	30.0
Management Decision-Making	12	15.2	12	13.2	12	13.2	-	-	-	-	1	36	41.6
TOTAL	24	30.4	36	41.6	24	28.0	-	-	-	-	3	84	100.0

TABLE V

Foreign Exchange Commodity Listing "First Year"

<u>Item</u>	<u>No.</u>	<u>Unit Price</u>	<u>Total</u>
1. Film Editing Equipment	1	150	150
2. Screen 180 x 240 cm	2	650	1,300
3. Blue Print Machine	1	2,900	2,900
4. VTR (3 accessory components)	1	1,900	1,900
5. Stencil Scanner Machine	1	3,200	3,200
6. Colating Machine (24 stations)	1	3,500	3,500
7. Tape recorders (portable)	5	100	500
8. Film (training)	44	175	7,700
9. Drawing Instruments Set	1	50	50
10. Giant Stapler	2	50	100
11. Bookshelves 200 x 40 x 160 cm	40	240	9,600
12. Books			10,000
13. Miscellaneous Supplies			<u>2,000</u>
TOTAL			42,900

TABLE VI

Local Cost Commodity Listing "First Year"

<u>Item</u>	<u>No.</u>	<u>Unit Price</u>	<u>Total</u>
1. Expanded 4-wheel drive vehicle (Toyota)	2	17,500	35,000
2. Bus (Toyota 26 persons)	1	20,400	20,400
3. Spare parts for 3 vehicles (15%)			8,310
4. Mobile Unit Equipment: 4KVA generator	2	3,500	7,000
5. Film Projector (16 mm)	2	2,400	4,800
6. Overhead Projector roll film carrier	1	750	750
7. Dictaphone	1	600	600
8. Dictating Machine	2	450	900
9. Intercom	1	2,500	2,500
10. Photo-Copy Machine	1	1,700	1,700
11. Photo-Copier (on ordinary paper)	1	5,500	5,500
12. Television Set (24 inch)	1	1,100	1,100
13. Vari-Typer Amharic	1	2,000	2,000
14. Typewriter (electric English)	1	1,300	1,300
15. Amharic Typewriter (46 cm)	1	650	650
16. Calculator (Pocket size, Engineering Office)	1	175	175
17. Calculating Machine (Pocket size, Office)	5	120	600
18. Calculating Machine (manual)	25	220	5,500
19. Auto-Binder (Vello binder combined)	1	2,300	2,300
20. Addresso-graph (manual)	1	1,900	1,900
21. Drawing Table (study) 80 x 120	1	725	725
22. Blackboard (portable)	10	150	1,500
23. Duplicating Machine	1	2,200	2,200
24. Duplicating Machine Cabinet	1	500	500
25. Miscellaneous Supplies			<u>1,790</u>
TOTAL			109,700

ANNEX B

INITIAL ENVIRONMENTAL EXAMINATION

INITIAL ENVIRONMENTAL EXAMINATION (IEE)

Project Location: Addis Ababa, Ethiopia
Project Title: Institute of Management and Training
Funding (Fiscal Year and Amount): FY 1978 - \$250,000 \$1,900,000 all years
Life of Project: 5 years
IEE Prepared by: George V. Corinaldi Date: January, 1977
Environmental Action Recommended: Negative Determination

The objective of this project is to improve the capabilities of the Institute of Management and Training to make analyses of organizational reform and training requirements and to conduct training for more rapid expansion of government development programs. In accordance with AID Regulation 16, Part 126.2(a), this project objective will not have a significant effect on the human environment and is therefore recommended for a Negative Determination.

Concurrence:  Date:

Assistant Administrator's/Director's Decision: Date:

ANNEX C

LOGICAL FRAMEWORK

**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

Annex C
Life of Project:
From FY 78 to FY 83
Total U.S. Funding \$1,900,000
Date Prepared: 3/10/78

Project Title & Number: Institute of Management and Training (663-0188)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS																						
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>To increase the opportunities for the poor majority to participate in accomplishing and benefitting from development in Ethiopia.</p>	<p>Measures of Goal Achievement: 1. Increase in no. of individuals/families receiving health, education, and other basic services. 2. Quality of services provided (Index). 3. Effectiveness of local organizations as measured by their ability to mobilize and employ local resources for development and to obtain technical assistance and other resources from higher level govt. organizations. 4. Increasing number of management problems are resolved in delivery of public services on local level.</p>	<p>1. Records and reports. 2. Sample surveys. 3. Survey of problems and bottlenecks in delivery of public services.</p>	<p>Assumptions for achieving goal targets:</p> <p>1. Continued EPNG commitment to decentralization and self-reliant local government. 2. That deficient management capability is a significant impediment to timely, effective resources mobilization and services delivery.</p>																						
<p>Project Purpose:</p> <p>To improve the capability of IMT to analyze organizational reform and training requirements and conduct training for more rapid expansion of government development programs.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status. 1. IMT capable of advising govt. on organizational and administrative reform, training civil servants and popular association leaders and conducting relevant and timely research and evaluation programs. 2. Timely receipt and utilization of public services by local population. 3. More effective development performance by local organizations and government agencies.</p>	<p>1. Evaluation reports and observation of training programs. 2. Evaluation reports and sample surveys. 3. Evaluation reports and sample surveys.</p>	<p>Assumptions for achieving purpose:</p> <p>1. Continued cooperation of the clientele of the Inst. in bringing about administrative reform. 2. IMT personnel provided advanced training will return to positions at the Inst. 3. Ministries fulfill obligations for assigning and retaining qualified personnel. 4. Government agencies will be decentralized.</p>																						
<p>Outputs: 1. Local service delivery management constraints identified and training needs assessed. 2. Training courses, seminars, workshops and materials developed. 3. Research/evaluation system developed. 4. Trainers trained. 5. Trained IMT staff. 6. Trained selected public officials. 7. Consultancy services. 8. Additional courses developed.</p>	<p>Magnitude of Outputs: 1. Annual evaluations 2. As specified in Table 1 Annex A. 3. Reports, questionnaires, surveys evaluations. 4. As specified in Table 1 Annex A. 5. 38 qualified staff by EOP. 6. As specified in Table 1 Annex A. 7. IMT staff reports. 8. IMT staff reports.</p>	<p>Course schedule, curricula, workshop and seminar proceedings, on-site visits, analysis of trainee utilization and performance, surveys, and evaluations.</p>	<p>Assumptions for achieving outputs:</p> <p>1. Qualified staff on board. 2. GOE continues to rely on IMT for consultation and advisory services. 3. IMT staff & facility are available. 4-5. GOE/USAID inputs are made available on time. 6. IMT staff trained to carry out activity.</p>																						
<p>Inputs:</p> <p>USAID</p> <p>1. Consultants 2. Training - long-term short-term 3. IMT outreach training 4. Commodities/vehicles 5. Constr./renovation trg. centers 6. Other costs</p> <p align="right">TOTAL</p> <p>GOE</p> <p>1. IMT personnel 2. Operating expenses</p> <p>Inflation factor incorporated. TOTAL</p>	<p>Implementation Target (Type and Quantity)</p> <table border="0"> <tr> <td>24 PM</td> <td align="right">196</td> </tr> <tr> <td>84 PM</td> <td align="right">109</td> </tr> <tr> <td>126 PM</td> <td align="right">335</td> </tr> <tr> <td></td> <td align="right">511</td> </tr> <tr> <td></td> <td align="right">304</td> </tr> <tr> <td></td> <td align="right">272</td> </tr> <tr> <td></td> <td align="right">173</td> </tr> <tr> <td></td> <td align="right">1,900</td> </tr> </table> <table border="0"> <tr> <td></td> <td align="right">1,160</td> </tr> <tr> <td></td> <td align="right">182</td> </tr> <tr> <td></td> <td align="right">1,342</td> </tr> </table>	24 PM	196	84 PM	109	126 PM	335		511		304		272		173		1,900		1,160		182		1,342	<p>AID documentation.</p>	<p>Assumptions for providing inputs:</p> <p>1. GOE will welcome USAID assistance to carry out activities. 2. Continued GOE commitment to achieve administrative reform.</p>
24 PM	196																								
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ANNEX D

PROJECT CHECKLIST

PROJECT CHECKLIST

Country checklist up to date. See Project Paper for Population: Education and Training (663-0194). Standard Item Checklist has been reviewed.

A. GENERAL CRITERIA FOR PROJECT1. App. Unnumbered; FAA Sec. 653(b)

(a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project;
(b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure plus 10%)?

1. (a) FY 1978 Congressional Presentation: Africa Programs p. 60

(b) Yes. Within OYB.

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?

2. (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?

3. No legislative action is required.

4. FAA Sec. 611(b); App. Sec. 101. If for water or water-related land resource construction, has project met the standards and criteria as per Memorandum of the President dated Sept. 5, 1973 (replaces Memorandum of May 15, 1962; see Fed. Register, Vol. 38, No. 174, Part III, Sept. 10, 1973):

4. Not applicable.

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 the country's capability effectively to maintain and utilize the project?

5. Not capital assistance project.

6. FAA Sec. 209, 619. If project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. If assistance is for newly independent country, is it furnished through multilateral organizations or plans to the maximum extent appropriate?

7. FAA Sec. 601(a); (and Sec. 201(f) for development loans). 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.

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).

6. No. Nature of project does not lend itself to regional or multilateral execution.

7. The project is a training program to strengthen the capacity of local level organizations to function effectively. It will have no effect on (a), (b) or (f). It will have a positive effect on (c) developing cooperatives, (d) discouraging monopolistic practices and (e) improving technical efficiency of agriculture and small scale businesses. The latter are development goals of the GOE to which untrained manpower has been a major impediment. The training which EMT will undertake is designed to provide the necessary administrative and management skills to local organizations and low and middle level civil servants to allow them to interact more effectively in carrying out these development priorities.

8. Training of participants will occur largely in U.S. institutions and U.S. consultants will probably play a major role in providing technical assistance.

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.

9. The Ethiopian Government is contributing over 40% of the cost of this project. The U.S. will pay all of the Foreign Exchange costs in U.S. Dollars. The local costs provided under the project by the U.S. will be converted into Ethiopian currency. The U.S. does not own significant amounts of Ethiopian currency.

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

10. No.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

1.

a. FAA Sec. 102(c); Sec. 111; Sec. 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, spreading investment out from cities to small towns and rural areas; and (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 government institutions?

a. (a) and (b). The project is directly aimed at providing the local level representatives, and public service employees with the skills needed to involve the local population in the development process and hence access to the economy. The training undertaken should ensure that the linkages from the central government down to the poor farmer are functioning and have people at all levels who can function effectively to spread development to all of the people. (b) The local levels to which the above training is directed are in part the representatives of urban and rural associations and cooperatives.

b. FAA Sec. 105

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;

c. FAA Sec. 110(a); Sec. 208(e).

Is the recipient country willing to contribute funds to the project, and in what manner has or will it provide assurances that it will 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)?

d. 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?

e. FAA Sec. 207; Sec. 113. Extent to which assistance reflects appropriate emphasis on; (1) encouraging development of democratic, economic, political and social institutions; (2) self-help in meeting the country's food needs; (3) improving availability of trained workerpower in the country; (4) programs designed to meet the country's health needs; (5) other important areas of economic, political, and social development, including industry; free labor unions, cooperatives, and Voluntary Agencies; transportation and communication; planning and public administration; urban development, and modernization of existing laws; or (6) integrating women into the recipient country's national economy.

b. The purpose of the project is to improve the capability of the Institute of Management and Training to analyze organizational and reform and training requirements and conduct training for more rapid programs. The GOE's development programs emphasize the participation of the poor in development.

c. Ethiopia will finance more than 40% of the costs of the project. The project must be approved at the highest level of the government, with the signing of the agreement comes commitment of funding concurrent with U.S. commitment. It should be noted that Ethiopia has a commendable record on meeting its commitments and reporting its loans.

d. Not a capital assistance project.

e. (1) Project is heavily supportive of local urban and rural organizations which are established as economic, political and social grass roots institutions. (3) Program is aimed towards improving training at all levels and at alleviating some of the critical difficulties impeding the government's development programs. (2), (4) & (5) Appropriate functioning of linkages between central government and local level ensures more effective usage of government services, i.e., agricultural extension agents, health workers, etc. It will also increase local participation in development related decision-making.

1. Participatory Development

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 civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

g. FAA Sec. 201(b)(2)-(4) and -(8); Sec. 201(e); Sec. 211(a)(1)-(3) and -(8). 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; or of educational or other institutions directed toward social progress? Is it related to and consistent with other development activities, and will it contribute to realizable long-range objectives? And does project paper provide information and conclusion on an activity's economic and technical soundness?

(6) The GOE since the 1974 revolution has emphasized the equal role of women in the nation's economy. Women have been elected to positions of office within the local organizations and as such will under the project receive training equal to their position of responsibility.

f. The project is designed to give the people of the country the skills necessary to communicate their needs and desires to the central government. The project is directly aimed at providing all levels with the skills necessary for effective participation in governmental and political processes.

g. Yes, the project is one of the first steps in allowing for development activities to function on a self-help basis in rural Ethiopia. Projects such as Minimum Package, Non-formal Education, Rural Health will need the foundation built by this project to allow for the full participation of the poor. The project does not lend itself to an economic analysis and hence one has not been included. The PP contains information and conclusions on the technical soundness.

h. FAA Sec. 201(b)(6); Sec. 211 (a)(5), (6). Information and conclusion on possible effects of the assistance on U.S. economy, with special reference to areas of substantial labor surplus, and extent to which U.S. commodities and assistance are furnished in a manner consistent with improving or safeguarding the U.S. balance-of-payments position.

h. There will be a minimal effect on the U.S. economy. Procurement of commodities will be off-shelf procurement of Code 935 with the exception of audio-visual mobil units. The effect will be minimal however as commodities average out to less than \$55,000 per year. Technical assistance and participant training will be primarily U.S. based.