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UNCLASSIFIED

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

CENTRAL AMERICA REGIONAL

PROJECT PAPER

REGIONAL TECHNICAL AID CENTER II

AID/LAC/P-145

Project Number 1597-0011

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE: A = Add, C = Change, D = Delete — Amendment Number

DOCUMENT CODE: 3

2. COUNTRY/ENTITY: Central America Regional

3. PROJECT NUMBER: 597-0011

4. BUREAU/OFFICE: LAC/DR/EST

5. PROJECT TITLE (maximum 40 characters): Regional Technical Aid Center II

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM 09 DD 30 YY 90

7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 86 B. Quarter 4 C. Final FY 90

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

A. FUNDING SOURCE	FIRST FY 86 B. FX	C. L/C	D. Total	LIFE OF PROJECT E. FX	F. L/C	G. Total
AID Appropriated Total				12,000		12,000
(Grant)	(800)	( )	(800)	(12,000)	( )	(12,000
(Loan)	( )	( )	( )	( )	( )	(
Other U.S. 1.						
Other U.S. 2.						
Host Country						
Other Donor(s)						
TOTALS	800		800	12,000		12,000

9. SCHEDULE OF AID FUNDING ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE 1. Grant	2. Loan	D. OBLIGATIONS TO DATE 1. Grant	2. Loan	E. AMOUNT APPROVED THIS ACTION 1. Grant	2. Loan	F. LIFE OF PROJECT 1. Grant	2. Loan
(1)	631(S)					12,000		12,000	
(2)									
(3)									
(4)									
TOTALS						12,000		12,000	

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

11. SECONDARY PURPOSE COD

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

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To increase U.S. access, presence and influence in Central American institutions, and to provide them with access to U.S. technical information.

14. SCHEDULED EVALUATIONS

Interim MM 03 YY 88 MM YY Final MM 09 YY 90

15. SOURCE/ORIGIN OF GOODS AND SERVICES: 000 941 Local Other (Specify)

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

17. APPROVED BY

Signature

Title

Date Signed MM DD YY

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

MM DD YY

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

PROJECT AUTHORIZATION

Name of Country: Central American Regional

Name of Project: Regional Technical Aid Center - II (RTAC-II)

Number of Project: 597-0011

1. Pursuant to Section 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Regional Technical Aid Center - II (RTAC-II) Project for the Central American Region, involving planned obligations of not to exceed Twelve Million United States Dollars (US$12,000,000) in grant funds ("Grant") over a five (5) year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of project is five years from the date of initial obligation.

2. The project ("Project") consists of financing the provision of affordable Spanish language textbooks to Central American university students, technical assistance to university bookstores, and pamphlets and booklets to private and public institutions throughout the region.

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 considitions as A.I.D. may deem appropriate:

a. Source of 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 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 as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Grant shall be financed only on flag vessels of the United States, except as A.I.D. may otherwise agree in writing.

4. **Waiver required:**

(a) Source, origin and nationality requirements are hereby waived to allow procurement of services and commodities from any country included in AID Geographic Code 941 in an amount not to exceed $5,000,000 because neither the suppliers of nor the commodities required (primarily textbooks) are available from countries included in the required Geographic Code.

Dwight Ink
Assistant Administrator
Bureau for Latin America and
the Caribbean

AUG 22 1986
Date

Clearances:
GC/LAC:MRiedy draft date 08-19-86
LAC/DR/EST:PWhite date
LAC/DR:PBuckles date 14 Aug 86
LAC/DR:ABisset date 8/20/86
LAC/DR:ILevy date
LAC/DR:TBrown date 8/22/86
LAC/DP:EHunt date 8/21/86

LAC/DR/EST:TDonnelly:08-14-86:4302R

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I. PROJECT RATIONALE AND DESCRIPTION

A. Project Rationale

RTAC II is a project designed to provide up-to-date, U.S. technical materials and textbooks in Spanish primarily to university students in Central America. As such, it is an outgrowth of the successful AID information dissemination programs of previous decades, and a direct response to the recommendations of the National Bipartisan Commission on Central America (Kissinger Commission) that the U.S. invest in the improvement of the educational systems in the region, and, in the process, counter the increasing Soviet influence in the region. The Commission, in its 1984 report, recommended the implementation of "a greatly expanded effort, subsidized by the U.S. Government ... to support translations of important books from both languages, and ...to subsidize their publication so as to make them generally available." Such an activity would be complementary to proposed AID support for institutions of higher education in the region and would help meet the needs of students who, for the most part, will be trained in their home countries, in large public universities. According to the Kissinger Commission, "a major shortcoming of past U.S. educational assistance has been insufficient support for Central American universities and university students. By contrast, higher education is increasingly a major focus of the efforts of the Soviet Union and Cuba in the region."

Of special concern has been the influx of Spanish-language materials from the Soviet Union to Latin America. Materials of a political as well as a technical nature have had a major effect on the publishing industry in the region. As U.S. materials have become more expensive (largely due to the spiraling increase in the dollar exchange rate) Latin American bookstores have entered into agreements with Soviet information distributors to market highly subsidized Soviet technical information and textbooks. The dominance of the U.S. publishing industry which prevailed in this hemisphere during the period of previous AID information dissemination projects, notably RTAC I, has been diminished. Latin American publishers in several instances are being driven out of the market by lower-priced Spanish language materials of Soviet origin. In Mexico alone, there are 29 Communist-front publishing houses distributing Soviet materials in Spanish. This effectively diminishes the number of U.S. trading partners in the vital private sector, as well as decreases the flow of appropriate materials developed in the U.S., materials which would meet the Latin American thirst for relevant technical information.

The revitalization of a U.S.-sponsored capability for translation, distribution, and promotion of technical materials and textbooks must be based on the wealth of past U.S. experience. Thus, RTAC II will be modelled after RTAC I, a highly successful program which spanned twenty years, from 1957-1977. RTAC I was

designed to transfer technical information to the countries of Spanish-speaking America and to strengthen the Latin American publishing industry. This was accomplished through the translation of books, pamphlets and audio-visual materials coupled with their distribution to educational institutions, libraries and government organizations. RTAC I assisted in the establishment of libraries, audio-visual centers, and non-profit university bookstores in Latin America. The program was phased out as a result of its success in meeting many of its goals, as well as because of the change in emphasis in AID in the late 1970s toward programs which directly benefitted the poorest of the poor.

In the intervening years since 1977 (when RTAC I ended), changes have occurred that have made the start-up of a similar program a priority. The problems in the publishing industry are no longer those of production availability and efficiency, but those of pricing and national economic structures in general. While an established publishing industry and bookstores remain in place, a state of economic turmoil has existed since 1981, characterized by runaway inflation, a constant escalation of the exchange rates, a serious economic recession, and a decrease in disposable income among potential purchasers. As victims of this vicious cycle, books are now too expensive to buy, resulting in poor sales and a decrease in the revenues which are badly needed by the publishing industry in order to update, reprint and market technical materials.

Another concern is the scarcity of Spanish language technical materials in general. This vacuum is a problem in itself and to the extent that it is being filled at all, it is the Soviets who are doing it, and doing it well. The Soviet Union is producing quality technical books and is distributing them free or at greatly reduced prices. As noted in a recent study:

> "Government officials, American publishers, and other knowledgeable observers, including academicians and other professionals, have reported a growing disparity between the shrinking numbers of books available overseas that support America's national interests and the growing number emanating from the Soviet Union to be found in other countries. These observations are confirmed by a U.S. Information Agency (USIA) study (1) showing that the Soviets published some 74.5 million books in languages not native to the U.S.S.R. in 1982, a foreign language publishing effort for which there is no comparison anywhere. For example, few books are published in the U.S. in Spanish despite the presence here of 20 million Hispanics; the U.S.S.R., with no Spanish market at home, published 11.6 million books in that language in 1982. The same USIA research report notes that the Soviets had

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(1) William E. Freeman, with Scott Righetti, Soviet Book Exports 1973-82 (Washington, D.C.: USIA, 1984).

increased exports of their books by 250 percent over the past decade while U.S. exports rose by only 25 percent during this period." (2)

Ironically, this situation solves one problem (the availability of affordable technical materials in Spanish) while creating another: the undue influence of the Soviets, particularly in the strategically important Central American region. Not only does the Soviet Union's publishing industry translate more titles than any other country in the world, but one out of every four books produced in the world is published in the U.S.S.R.(3) If we are to meet the critical need for technical information in Spanish and present a positive image of the U.S., as well as respond to the growing visibility of Soviet technical information and ideas, it is necessary that the U.S. initiate, once again, an active program of translation and dissemination of up-to-date U.S. technical information in Spanish, and that this material be made available at a reasonable price to university students.

The primary goal of RTAC II will be a political one, to enhance the U.S. access, presence and influence in the Central American region by increasing U.S. participation in the higher education and training of Central American professionals and leaders. An important by-product of accomplishing this political goal will be providing Central Americans with access to U.S. technical information, thereby contributing to technological development and capacity-building in individuals and institutions. It is believed that in the process of providing this access, substantive solutions to technical development problems will also thereby be provided.

The primary means of achieving these goals will be the written word, books and pamphlets. Books are a cost-effective tool for national growth and development and, in a unique way, link the crucial areas of education, technology transfer and institution-building.

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(2) William M. Childs and Donald E. McNeil, eds. American Books Abroad: Toward A National Policy, (Helen Dwight Reid Educational Foundation, 1986), p. xv

(3) Ibid., p. 200.

...a book costs less, lasts longer, and penetrates more deeply than any other means of international communication of information and ideas. In all Third World countries a book usually passes through the hands of ten or twenty readers, or even more. Indeed, certain kinds of books are handed down from generation to generation. The problem usually clearly comes with the ubiquitous first obstacle -- the high price of the original purchase." (4)

RTAC II will make it economically feasible for the publishing industry to both publish and market needed technical books. The books will then be made available through bookstores at reasonable prices to university students and others requiring such reference materials. The pamphlets and booklets will be distributed free to ministry technicians and other development project personnel for use in their extension-type work.

It is therefore appropriate that the primary target group for RTAC II be university students, particularly those in the first three years of study, as this is the time when students are just beginning to learn the basic fundamentals of their fields, making quality textbooks imperative for optimum professional development. Class size is also larger during these years, generating larger, more cost-effective book orders. Further, it is well-recognized that books, in addition to being a resource for the transfer of technical information, are also a tool for furthering democracy, increasing awareness of the U.S., and exposing a greater number of Latin Americans to democratic values. This other dimension of the influence of books was addressed in a Library of Congress-sponsored study:

"They smooth the path for the pursuit of our foreign policies. It has been said often that next to people, books are our best ambassadors of international enlightenment and goodwill. This is especially true of the U.S. textbooks and professional books that are studied abroad by university students and other young intellectuals. In most Third World countries, the revolutionaries of today are leaders of tomorrow, and the political power of young leaders can be ignored by a government only at its own peril. Hence, in such countries U.S. books - - and especially U.S. textbooks at the university level - - are directed to the hands of young men and women who are vital to both the future of their country and the future of relations between their country and ours..." (5)

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(4) Benjaman Curtis, U.S. Books Abroad: Neglected Ambassadors (Library of Congress, 1984), p. 73
(5) Ibid, p. 72

It is important that the U.S. act aggressively to fill the gap and allow our ideas and our books to reach these students. We are in a struggle with the Soviets for the minds of these up and coming professionals.

Revitalization of the information dissemination sector, particularly for textbooks, will serve the additional function of reinforcing the actions of AID's complementary project to train large numbers of Central Americans in the U.S. (the Central American Peace Scholarship Program or CAPS), and a proposed project to increase linkages between U.S. and Central American post-secondary institutions. These two projects, along with RTAC II, are major components of the U.S. strategy vis-a-vis AID to re-assert a positive influence in the training of future leaders of the private and public sectors and contribute to the development of institutions in the region.

RTAC II will also complement and substantially expand the efforts of the two other significant sponsors of Spanish-language book programs in the region: (1) U.S. Information Agency (USIA) and (2) Pan American Health Organization (PAHO). These programs will be described in the Technical Analysis section (Annex E.1) of this PP, and historical and potential future relationships with each will be outlined.

B. Project Description

RTAC II has been designed in response to the need to increase U.S. participation and influence in the higher education and training of Central American professionals and leaders. It will increase the availability of affordable U.S. technical books and materials in Spanish to university students and others. Specifically, RTAC II will be a Central American project which will provide the targeted population -- university students in the countries of Panama, Costa Rica, Guatemala, El Salvador, and Honduras -- with Spanish-language editions of U.S. technical books and materials. The project will have the ability and flexibility to expand into other countries in the Latin American region or into other program areas such as audio-visuals at a later time should that be deemed appropriate.

1. Program Components.

a. Textbooks.

Textbooks will be the primary output of RTAC II and will be made available to university students and others at affordable prices through the traditional market vehicle, bookstores. Title selection will be demand, rather than supply-driven, reflecting the needs of the market, the professors.

This will be accomplished through initial and periodic market studies collecting textbook assignment data from professors, bookstores, and publishers. Project staff will then determine title selections based upon criteria including subject matter,

number of professors planning to assign a textbook, class size, year in school of students, etc. This title selection process is discussed in greater detail in the Technical Analysis section of this PP (Annex E.1.).

RTAC II will select its textbooks from already existing and published works, the acquisition of which would fall into two categories:

(a) Expansion of the distribution of already-existing Spanish-language works. It is anticipated that the majority of books selected for the RTAC II project have already been translated and edited, and the project will therefore need only to contract to have a certain number of copies reprinted from an existing bibliography.

(b) Translation of already-existing works. Some titles may have to be translated and edited, in which cases appropriate contracts will be negotiated and executed.

In both cases, most often the original publisher of a book will be contracted with for the book copies or the translation and copies. Major publishing houses in Latin America, primarily in Mexico (and possibly Argentina, Venezuela and Colombia), have the established capability to provide these. Co-publishing, the production of co-editions by both the original company and a Central American printer/publisher, may be tried experimentally on a small scale. An example of this arrangement would be an agreement between a Central American university printing press (such as the University of Costa Rica or the University of Honduras) and a U.S. or Latin American publishing company which would provide the university press with a film negative of camera-ready copy, from which to do the printing. It is understood that there is a general unwillingness among U.S. publishers to fragment a valuable commodity, the rights to Spanish-language editions of marketable books. Thus, any experiments in this area would be tried gingerly so that scarce staff time and project resources are not wasted and ill feelings are not created among publishers.

The textbooks will be distributed via existing traditional market mechanisms, bookstores, to students and others interested in purchasing them. Priority will be given to using existing university bookstores when possible. Where university bookstores do not exist, an assessment will be made as to whether a new bookstore should be created (such as in an area where several universities could be served economically) or whether an existing commercial bookstore can meet the project criteria for distribution. Further details on bookstore selection criteria and considerations are provided in the analysis of institutional opportunities and constraints portion of the Technical Analysis (E.1.(4)) section of the PP. Details on the subsidization of bookstores are provided in the Technical Analysis (E.1.(3) section of the PP.

b Pamphlets and Booklets.

This component of RTAC II will consist of the production and distribution of pamphlets and booklets to host government technicians who will use them in their outreach or extension work or for AID-sponsored or other community development projects. It is anticipated that this will primarily involve the translation of existing USG materials in the public domain. On a very limited basis, major revisions of existing materials or materials written de novo will be considered. Likewise, relevant materials generated by state and local entities with large Hispanic populations will be considered. The subject areas to be emphasized in the early phases of the project include small- and micro-enterprise development, management and productivity improvement, agribusiness, and appropriate technology, with expansion into other subject areas as time, resources and demand dictate.

During the era of RTAC I, these materials were printed by the USIA Regional Service Center (RSC) in Mexico City under an interagency agreement. This is the approach RTAC II plans to use again, as it vastly simplifies the printing procurement process and ensures quality printing at a cost below the competitive open market level. Talks with senior staff of the USIA Printing Division confirmed their interest and ability to work with RTAC II. Although damaged by the earthquake, the Mexico City plant is expected to be back in full operation by January, 1987.

RSC would be the primary printer of the pamphlets and booklets, however, RTAC II may experiment on a small scale with approaches that could lead to the commercialization of these inexpensive, simple, how-to pamphlets and booklets. Since they are in the public domain, there may be organizations interested in reprinting and selling them on either a non-profit or profit basis. In either case, expanded availability to the public would be all to the good.

c. Brokering of Other U.S. Information.

RTAC II will provide for the expansion of on-line access to U.S. educational and technical information in each country so that information searches may be provided for USAID missions and other approved organizations.

d. Book Procurement Service--Purchase Orders.

USAID missions and other approved organizations may use the services of the RTAC II project as a centralized buying mechanism for technical information through the use of Purchase Orders. This service will be the responsibility of the Contract Administrator out of the project office. The actual processing of orders is likely to be delegated to the Administrative Assistant.

Provision of Technical Assistance and Training.

Fourteen person-months of technical assistance and training will be provided under the Contract each year. This will include two two-week workshops each year, one for bookstore managers/personnel and one for the PSCs. Marketing and promotional strategies, management and administration, and equipment training are among the topics to be covered during these group sessions. Additional training will be provided on a one-on-one basis to the PSCs, bookstore staff and others as needed.

2. Project Staffing.

RTAC II will be run out of offices located in Mexico City. Initial conversations with U.S. embassy staff have indicated no problem in having the RTAC II project headquartered in Mexico City. It will be run by a U.S. contractor utilizing a Mexico City-based full time field staff of four with U.S. project backstopping from the Contractor's home office, supplemented by consultants who will provide a variety of technical assistance. The four-person field team will consist of a Project Director, Contract Administrator, Field Operations Specialist, and an Administrative Assistant.

The U.S. office of the Contractor will coordinate with AID/Washington project monitoring staff, see that the administrative, financial and support needs of the field staff are met, and generally oversee the field staff.

Detailed job descriptions for each position and an organization chart are provided in the Administrative Analysis of the PP (Annex E.4).

Consultants

Consultants will be hired to supplement the technical assistance and training provided to the AID mission, the PSCs, university bookstores, and others, as necessary, by the project staff. Consultants will also be used to assist with the data collection for the title selection process and annual evaluations.

USAID Mission PSC

One reason that RTAC I enjoyed such wide popularity and support, and that this support has endured, is the fact that it was an outreach program of AID itself. Books, pamphlets and films were distributed directly by the AID mission within each participating country. RTAC II also must be perceived as an AID outreach program. This will be accomplished through the use of local representatives in each country, representatives who are host-country nationals, personal services contractors (PSCs) of the USAID missions, who will be responsible for management of the in-country distribution of the materials. The PSC host country nationals will be paid out of USAID mission local currency funds.

Although the PSCs will be hired by and report to the missions, they will receive substantial training and ongoing assistance from the contractor. A detailed job description for the PSC is provided in the Administrative Analysis section of the PP (Annex E.4).

The actual clerical task of receiving and distributing the materials will be carried out either by local hire clerical staff, or by contracting out to a local organization selected and paid for by the project contractor. The local distribution and shipping staff/contractor will be responsible for receiving the boxes of materials, getting them through customs, warehousing of materials, making local deliveries, addressing, mailing and shipping as necessary, etc. It may be possible to arrange for the publisher/printer of the books or pamphlets to ship them to each country prepackaged and preaddressed for in-country distribution.

The field staff, the Contractor, mission PSCs, and the Mexican distributor will interact where possible via an electronic mail network, using microcomputers. Currently, packet switching for international data transmission is available in all Central American countries, except El Salvador. Mexico's system, which was damaged by the earthquake, is expected to be fully operational again by late 1986. Thus, the contractor will be kept abreast of vital information such as order confirmations, shipping dates, invoices, etc. through their microcomputers.

II. COST ESTIMATE AND FINANCIAL PLAN

The total AID/W-contributed cost of the project is $10,000,000, to be disbursed over five fiscal years beginning in the fourth quarter of FY 1986. A life-of-project budget is included as part of this section.

A contract will be awarded to an 8-A small business to permit timely implementation of project activities. This will contribute to meeting Gray amendment requirements for the Agency.

Costs to be contributed by the USAID missions in the region will represent an important resource to the project. Missions have all agreed to provide office space for the project and to fund a host country national under a personal services contract to manage in-country distribution of materials. In addition, missions have generally agreed to participating in a buy-in program over the course of the project to increase their share of regional project benefits, although the precise level and nature of the buy-ins will not be determined until project implementation.

There are three vehicles the mission can potentially use to expand the RTAC II project or obtain additional benefits from it: (1) purchase orders; (2) local contracts; and (3) buy-ins. Creative use of these various funding mechanisms can provide a mission with flexibility and the opportunity to expand RTAC's benefits and to obtain needed items through its procurement mechanisms. More detailed descriptions of these three funding mechanisms and examples of their uses are provided in the Implementation Plan (Section III) of the PP.

Funds earmarked by missions for RTAC II use will be transferred to the project account at AID as required. Where applicable, specific amounts will be negotiated with each mission by the project officer during project implementation with the assistance of contractor staff as needed.

RTAC II BUDGET - PP
($000)

	FY 86	FY 87	FY 88	FY 89	FY 90	Total
Personnel:						
Project Staff	326	346	368	388	408	1,836
Technical Assistance and Training	150	150	150	150	150	750
Program Areas Costs						
Textbook Program	700	1,000	1,000	1,000	816	4,516
Pamphlets and Booklets	150	150	150	150	150	750
Data Base Searching	0	10	10	10	10	40
Warehousing and in-country shipping of materials	60	60	60	60	60	300
Other Direct Costs						
Moving Costs and Allowance	102	55	65	59	66	350
Travel	106	106	106	106	106	530
Telecommunications	12	12	12	12	12	60
Microcomputers (Purchase & maintenance	40	4	4	4	4	56
Printing and Photocopying	12	12	12	12	12	60
Working/Training Sessions	60	60	60	60	30	270
TOTAL COSTS	1,718	1,968	1,997	2,011	1,824	9,518
General and Administrative Costs	98	93	96	98	97	482
GRAND TOTAL	1,816	2,061	2,093	2,109	1,921	10,000

III. IMPLEMENTATION/PROCUREMENT PLAN

Successful project implementation will depend upon the timely completion of designated tasks by the Contractor, the USAID missions and the AID/W Project Officer as follows:

A. Contractor Responsibilities

In order to undertake the specific resonsibilities outlined below, the Contractor or Implementing Agency, will have to enter into a series of sub-contractual arrangements with translators, distributors, publishers, printers, and others involved in production and distribution.(1) The Contractor Responsibilities Chart graphically portrays these relationships and the specific responsibilities, which are:

1. recruiting, hiring and supervising qualified field staff;

2. general project implementation planning, management and evaluation including required report preparation and submission;

3. conducting initial and periodic needs assessments of publishers, university professors, students, bookstores, and others to develop and refine the textbook publishing program and make title selection recommendations;

4. negotiating and sub-contracting with either distributors or publishers to either purchase existing books, translate and publish new titles, or sponsor co-editions as appropriate to provide the necessary technical books for distribution;

5. exploring appropriate arrangements for cooperating with bookstores and selecting primarily existing bookstores for receipt of books, including the negotiation of agreements between the project and the bookstores;

6. subcontracting for the purchase and shipment of books from the publishing centers in Mexico and Argentina to the missions;

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(1) A more detailed procurement plan than the one outlined here for commodity procurement was considered unfeasible at the design stage due to the fact that, since the determination of the specific titles to be procurred is to be demand driven, specifications cannot be made until university bookstores and professors are polled, and this can only be done shortly before the start of a new semester, when instructors have been assigned and student enrollment is known.

7. subcontracting for the selection, translation (when necessary), and printing of pamphlets and booklets;

8. providing and supervising a staff of short-term consultants to augment the core staff and provide technical assistance and training to the PSC, the publishers and the university bookstores, including ensuring the consultant's adequate support, both in the field as well as backstopping support in the U.S.;

9. subcontracting with local shipping contractors in each country to warehouse and distribute the materials;

10. creating, with mission funds, university bookstores, where needed;

11. ensuring that adequate office facilities, equipment and supplies will be available to project personnel in the central office;

12. establishing support systems for processing personnel and other project subcontracts so that payments of all project expenses are made on a timely basis;

13. establishing and maintaining an accounting system for the project and providing accurate, detailed financial information to AID on all Project activities in a timely fashion; and

14. producing Annual Internal Project Evaluations including the collection of baseline data in the first year for comparative use in later evaluations.

Procurement activities of the project will be supervised by the Contract Administrator working for the project contractor (see Administrative Analysis, Annex E.4). She or he will be responsible for seeing that all U.S. government procurement regulations prescribed in Handbook 14 are met. The AID project officer will provide oversight on contractor compliance through review of plans and payment vouchers.

Source and origin of goods and services will be code 000 and code 941. Waivers will be required for shipping on non-U.S. air and sea carriers and for sole source of books and printed materials selected for distribution under the project. (See Appendices for Waivers.)

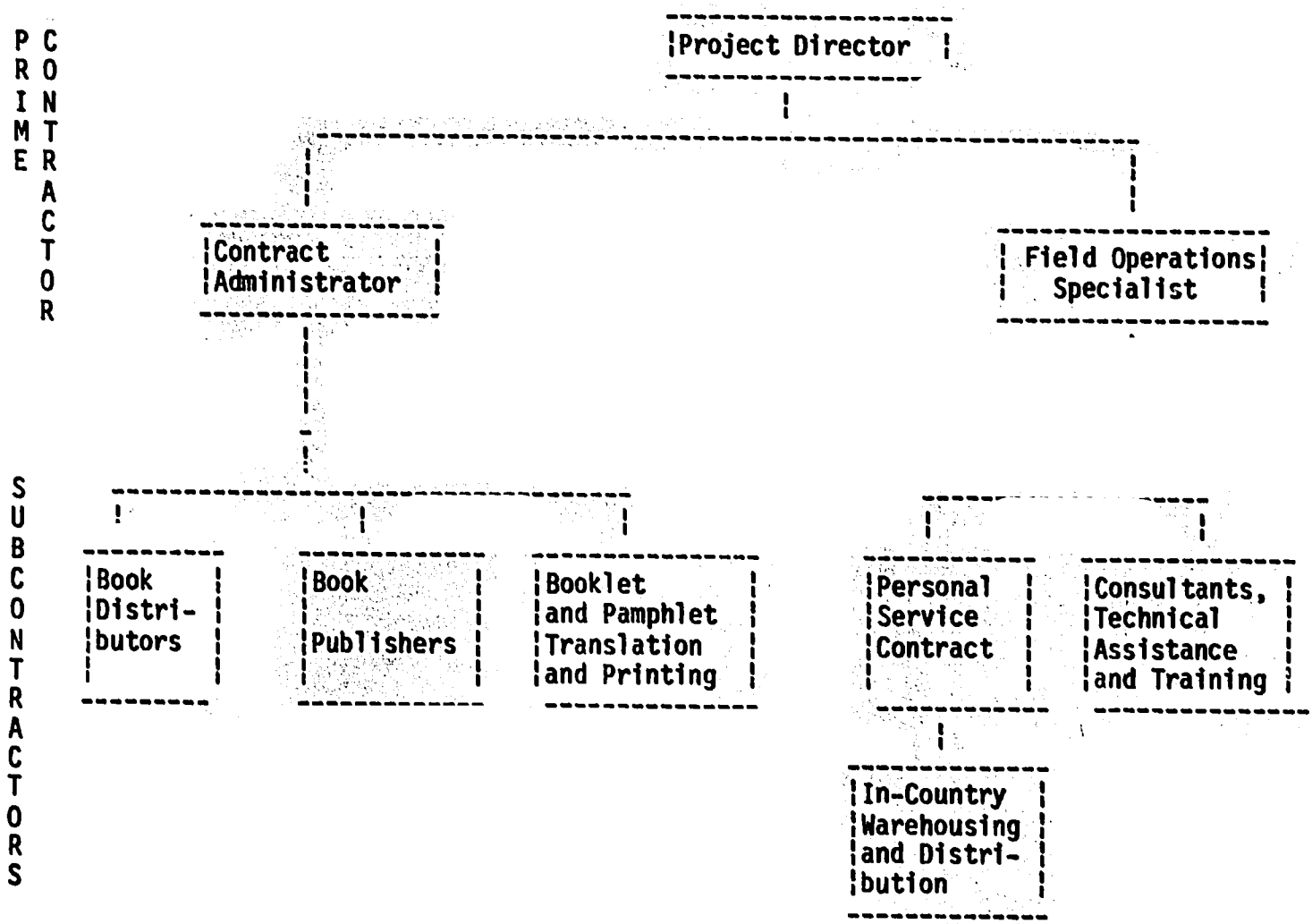
Major procurement activities include:

1. Purchase of textbooks.

2. Translation, adaptation, and publication of non-commercial booklets and pamphlets.*

* RTAC will not fund the translation costs of commercially available textbooks.

Contractor Responsibilities Chart



3. Warehousing and in-country shipping of materials.

4. Purchase and maintenance of microcomputers.

The procurement of books for distribution to university bookstores will be carried out on an ongoing basis. In the first month of the project, the contractor will be required to develop detailed country by country procurement plans which will include how and when the contractor proposes to poll both the university bookstores and the university professors themselves on the technical textbooks that will be assigned, as well as those books that will be required reading, previous sales records for those same courses and/or professors, etc.

The contractor will be responsible for supervising all sub-contracts under the project. AID will approve all sub-contracts in writing and will also approve the selection of sub-contractors in writing.

According to current AID practice, SER/CM will review micro-computer procurements in excess of $10,000 and notify the project officer of current AID requirements for this equipment. Appropriate payment verification procedures for these as well as for all project commodities will be spelled out in the contract.

The Implementation Activities and Responsibilities Chart, which follows, indicates in graph form the timing by year of the major implementation activities as well as which management entity, a contractor staff member, the USAID mission, or the AID/Washington Project Officer the mission PSC will have primary responsibility for each activity.

B. Mission Responsibilities

In addition to the activities/responsibilities of the prime implementing agency, the contractor, the USAID missions will have to wholeheartedly support, both philosophically and financially, the RTAC II project in order for it to be viable. Specific inputs of the missions must include:

1. Provision of office space from which to run the project. Within each country, the most appropriate location will vary. It is necessary that the location be accessible to the public; mission security considerations and the location of the mission itself would be among the determining factors. One possibility would be to house it with CAPS or the university linkages program, which by their natures must also be accessible to the public. This should be done by the end of month six of the project.

2. The local mission must provide for the management of the in-country distribution of the books and pamphlets/booklets, including the compilation of a distribution list for the pamphlets. This would be accomplished by funding a responsible host country national in each country under a Personal Services Contract to be responsible for materials distribution and program management on a day-to-day basis. Actual distribution costs such as shipping or a contract with a distributor will be borne by the project. The PSC should be hired by month six of the project.

3. Funds would also be required for in-country travel for PSCs to periodically followup with recipient organizations.

It was confirmed during the field work for the development of the project paper that mission support of the project will not be a problem. Discussions with mission personnel indicated strong philosophical and financial support. Funding of a local person under a PSC is considered by all missions to be an appropriate and feasible way to handle in-country distribution, and all missions have agreed to provide office space for the project.

In addition, missions have indicated a possible interest in expanding the RTAC II project in their country or obtaining additional benefits from it as the project is implemented. There are three vehicles that the missions can potentially use in order to accomplish this:

(1) Purchase Order. A purchase order is a way to use project-related funds to purchase necessary items using the RTAC II facilitating mechanism. Examples of the use of a purchase order would be placing orders through the book procurement service, or for local printing of selected pamphlets/booklets, beyond the number originally allocated to that mission, or for purchasing of textbooks or other technical books to give to libraries or other recipients.

(2) Local Contract. This is a mechanism by which the mission can use local currency to purchase support to facilitate project implementation. The hiring of a host country national funded under a Personal Services Contract (PSC) is one example of how a contract will be used to support RTAC II. Many other possibilities exist such as the use of contracts to provide additional equipment or start-up and operating capital for university bookstores.

(3) Buy-Ins. A buy-in is a direct transfer of mission resources to the project and thus means that missions would have to plan their budget inputs as part of the ABS cycle. Possible illustrative reasons for a buy-in include:

a. If students still have difficulty purchasing texts at the new, lower price, the mission may want to do something in each country to reduce the cost of textbooks further and help the marketing mechanism by subsidizing the textbooks below the acquisition cost. The need for this will probably vary

substantially from country to country and perhaps also from time to time.

b. The missions may want to have additional pamphlets translated and photo negatives provided for in-country printing.

c. The missions may want to expand the number o textbook titles or number of copies of a given title to be provided to university students.

Creative use of various combinations of these funding mechanisms can provide a mission with flexiblity and the opportunity to expand RTAC II's benefits and to obtain needed items from it.

It should be recalled that RTAC I was a popular program during its implementation and it is still remembered by both mission staff and host country beneficiaries. The book and pamphlet distribution program permitted the mission staff access to institutions and people they would have had no relationship with otherwise. The program in general produced a disproportionate amount of goodwill relative to cost and effort. Indeed, this provision of increased access to a broad base of national institutions and individuals was an achievement of RTAC I and is consequently an aim of RTAC II.

C. AID/Washington Responsibilities

AID/Washington will be responsible for monitoring the Contractor and facilitating, as necessary, coordination between the contractor, the U.S. Embassy in Mexico City, and the USAID missions in the participating countries. Selection of a quality contractor will ensure that project monitoring will require no more than one-third of a Project Officer's time.

IMPLEMENTATION ACTIVITIES AND RESPONSIBILITIES CHART

Project Year: 1

ACTIVITY	RESPONSIBILITY	Quarter 1	2	3	4
Staffing					
Project start-up activities (team recruitment, hiring, orientation and organization)	PD,CA,FOS	x			
Hire PSC in each country and provide him/her with office space.	M		x		
Textbook Program					
Supervise conduct of initial needs assessment to develop and refine the publishing program including title selection and to compile baseline data for future project evaluations	FOS		x	x	
Explore appropriate contractual vehicles and criteria for publishers for purchasing books or sponsoring co-editions	PD, CA	x	x		
Determine possible publishing contractors for purchase of books or sponsoring co-editions	PD, CA		x	x	
Select contractors and negotiate contracts with publishers for purchase of books or sponsoring co-editions	PD, CA			x	x
Explore appropriate arrangements for cooperation with bookstores	PD, CA	x	x		
Determine possible bookstores for receiving books	PD, FOS		x	x	
Select bookstores for receipt of books and make appropriate contractual arrangements	PD, FOS, CA			x	x
Conduct a needs assessment of bookstores to determine technical training needed	FOS				x

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IMPLEMENTATION ACTIVITIES AND RESPONSIBILITIES
CHART cont.

Project Year: 1

ACTIVITY	RESPONSIBILITY	Quarter 1	2	3	4
Explore appropriate contractual vehicles and criteria for the distribution of the books from the publishing centers in Mexico and Argentina to the missions	PD, CA		x		
Determine possible book distribution contractors for book distribution from publishing centers to the missions	PD, CA		x	x	
Select contractors for book distribution from the publishing centers to the missions and negotiate contracts	PD, CA			x	x
Explore appropriate contractual vehicles and criteria for translation, revision, and editorial review of books (if necessary)	PD, CA	x	x		
Determine possible contractors for translation, revision, and editorial review of books (if necessary)	PD, CA		x	x	
Select contractor and negotiate contracts for translation, revision and editorial review of books (if necessary)	PD, CA			x	x
Pamphlet/Booklet Program					
Explore appropriate contractual vehicles and criteria for the selection, translation (if necessary), editorial review and printing of pamphlets and booklets	PD, CA	x	x		
Determine possible contractors for the selection, translation (if necessary), editorial review and printing of pamphlets and booklets	PD, CA		x	x	
Select contractor and negotiate contract for the selection, translation (if necessary), editorial review and printing of pamphlets and booklets	PD, CA			x	x

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IMPLEMENTATION ACTIVITIES AND RESPONSIBILITIES CHART cont.

Project Year: 1

ACTIVITY	RESPONSIBILITY	Quarter 1	2	3	4
Other Program Activities					
Arrange cooperating agreement with appropriate organizations for on-line information search services	FOS, CA		x	x	
Provide book procurement service (via purchase orders) as requested by USAID missions and other organizations	CA			x	x
Provide training and technical assistance to the PSC, publishers, and bookstores as necessary	FOS and consultants	x	x	x	x
Other Support and Administrative Activities					
Prepare Annual Internal Evaluation Report	PD,CA,FOS and consultants				x
Establish support systems and accounting systems for personnel and subcontractors	CA, FOS, PD	x	x	x	x
Coordinate with AID/Washington and back-stop and coordinate with the project field team	PC	x	x	x	x
Explore and determine appropriate arrangements for in-country receiving, warehousing, shipping, etc. of materials for each country	CA, FOS, PSC			x	x
Set up electronic mail network between field staff, contractor, PSCs and Mexican and other book distributors	CA, PC		x	x	x
Compile initial materials distribution list and establish in-country materials distribution system in each country	PSC, FOS			x	x
Monitor contract and coordinate contractor and USAID missions	PO	x	x	x	x

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IMPLEMENTATION ACTIVITIES AND RESPONSIBILITIES
CHART cont.

Project Year: 2

ACTIVITY	RESPONSIBILITY	Quarter 1	2	3	4
Textbook Program					
Determine additional titles for book progra	PD, FOS	x			
Select contractors and negotiate contracts with publishers for purchase of books or sponsoring co-editions	PD, CA	x	x		
Select contractor and negotiate contracts for the translation, revision, and editorial review of books if necessary	PD. CA	x	x		
Pamphlet/Booklet Program					
Select contractor and negotiate contract for the selection, translation (if necessary), editorial review and printing of pamphlets and booklets	PD, CA	x	x		
Other Program Activities					
Provide book procurement service (via purchase orders) as requested by USAID missions and other organizations	CA	x	x	x	x
Provide referrals for on-line information search	FOS	x	x	x	x
Provide training and technical assistance to PSC, publishers, and bookstores as needed	FOS and consultants	x	x	x	x
Other Support and Administrative Activities					
Coordinate with AID/Washington and back-stop and coordinate with the project field team	U.S. Contractor	x	x	x	x
Monitor all sub-contractors	PD, CA	x	x	x	x
Monitor contract and coordinate contractor and USAID missions	PO	x	x	x	x
Prepare project progress reports	PD, FOS, CA	x	x	x	x
Prepare Annual Internal Project Evaluation Report	PD,CA,FOS and consultants				x

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IMPLEMENTATION ACTIVITIES AND RESPONSIBILITIES CHART cont.

Project Year: 3

ACTIVITY	RESPONSIBILITY	Quarter 1	2	3	4
Textbook Program					
Determine additional titles for book program	PD, FOS	x			
Select contractors and negotiate contracts with publishers for purchase of books or sponsoring co-editions	PD, CA	x	x		
Select contractor and negotiate contracts for the translation, revision, and editorial review of books if necessary	PD, CA	x	x		
Pamphlet/Booklet Program					
Select contractor and negotiate contract for the selection, translation (if necessary), editorial review and printing of pamphlets and booklets	PD, CA	x	x		
Other Program Activities					
Provide book procurement service (via purchase order) as requested by USAID missions and other organizations	CA	x	x	x	x
Provide referrals for on-line information search	FOS	x	x	x	x
Provide training and technical assistance to PSC publishers, and bookstores as needed	FOS and consultants	x	x	x	x
Other Support and Administrative Activities					
Outside Mid-Project Formative Evaluation	PO			x	x
Coordinate with AID/Washington and back-stop and coordinate with the project field tea	U.S. Contractor	x	x	x	x
Monitor all sub-contractors	PD, CA	x	x	x	x
Monitor contract and coordinate contractor and USAID missions	PO	x	x	x	x
Prepare project progress reports	PD, FOS, CA	x	x	x	x
Prepare Annual Internal Project Evaluation Repor	PD,CA,FOS and consultants				x

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IMPLEMENTATION ACTIVITIES AND RESPONSIBILITIES
CHART cont.

Project Year: 4

ACTIVITY	RESPONSIBILITY	Quarter 1	2	3	4
Textbook Program					
Determine additional titles for book program	PD, FOS	x			
Select contractors and negotiate contracts with publishers for purchase of books or sponsoring co-editions	PD, CA	x	x		
Select contractor and negotiate contracts for the translation, revision, and editorial review of books if necessary	PD, CA	x	x		
Pamphlet/Booklet Program					
Select contractor and negotiate contract for the selection, translation (if necessary), editorial review and printing of pamphlets and booklets	PD, CA	x	x		
Other Program Activities					
Provide book procurement service (via purchase order) as requested by USAID missions and other organizations		x	x	x	x
Provide referrals for on-line information search	FOS	x	x	x	x
Provide training and technical assistance to PSC, publishers, and bookstores as needed	FOS and consultants	x	x	x	x
Other Support and Administrative Activities					
Coordinate with AID/Washington and back-stop and coordinate with the project field team	U.S. Contractor	x	x	x	x
Monitor all sub-contractors	PD, CA	x	x	x	x
Monitor contract and coordinate contractor and USAID missions	PO	x	x	x	x
Prepare project progress reports	PD, FOS, CA	x	x	x	x
Prepare Annual Internal Project Evaluation Report	PD,CA,FOS and consultants				x

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IMPLEMENTATION ACTIVITIES AND RESPONSIBILITIES
CHART cont.

Project Year: 5

ACTIVITY	RESPONSIBILITY	Quarter 1	2	3	4
Textbook Program					
Determine additional titles for book program	PD, FOS	x			
Select contractors and negotiate contracts with publishers for purchase of books or sponsoring co-editions	PD, CA	x	x		
Select contractor and negotiate contracts for the translation, revision, and editorial review of books if necessary	PD, CA	x	x		
Pamphlet/Booklet Program					
Select contractor and negotiate contract for the selection, translation (if necessary), editorial review and printing of pamphlets and booklets	PD, CA	x	x		
Other Program Activities					
Provide book procurement service (via purchase order) as requested by USAID missions and other organizations	CA	x	x	x	x
Provide referrals for on-line information search	FOS	x	x	x	x
Provide training and technical assistance to PSC, publishers, and bookstores as needed	FOS and consultants	x	x	x	x
Other Support and Administrative Activities					
Outside Summative: End of Project Evaluation	PO			x	x
Coordinate with AID/Washington and back-stop and coordinate with the project field team	U.S. Contractor	x	x	x	x
Monitor all sub-contractors	PD, CA	x	x	x	x
Monitor contract and coordinate between contractor and USAID missions	PO	x	x	x	x
Prepare project progress reports	PD, FOS, CA	x	x	x	x
Prepare Annual Internal Project Evaluation Report	PD,CA,FOS and consultants				x

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IV. MONITORING AND EVALUATION PLAN

As a regional project, RTAC II requires a monitoring and evaluation plan which can meet the needs of the LAC bureau to monitor overall progress and make necessary design changes. It also, however, needs a system which can provide local missions, AID/Washington, and the contractor with country-specific information on activities and progress. The proposed monitoring plan for RTAC II is designed to meet both of these needs.

A comprehensive management information system (MIS) is called for which will allow the contractor to collect information for evaluation, monitoring and decision-making on a regular basis. The challenge of RTAC II's MIS is to monitor progress at several levels:

1. to monitor the materials distribution system on both a country-by-country and regional basis;

2. to monitor each sub-contractor providing specialized services in publishing, translation, distribution of materials, and other activities;

3. to monitor the training and technical assistance component of the project;

4. to monitor the bookstores involved in the RTAC network;

5. to monitor textbook adoptions and professors in each cooperating bookstore; and

6. to measure the flow of intended benefits to both the primary and secondary beneficiaries.

The proposed monitoring/evaluation plan is a comprehensive MIS that depends on existing data sources within the project to maintain good oversight for title selections and day-to-day decisions, to assist the project management staff in modifying approaches in the face of the changing project environment, and to measure the flow of intended benefits to both primary and secondary beneficiary groups. The key to the utility of the system is that it is based upon information which will be routinely collected within the project on a regular basis. The on-line capability (microcomputers) in each country, in the field headquarters, and in selected sub-contractor offices for keeping track of materials procurement and distribution will also serve as the primary data collection point for the MIS. Special studies and outside evaluations will be programmed as needed, but most information will be readily available for use in evaluation on an ongoing basis.

Each country component will collect information and provide it to the project management for use in reporting and analysis. Project staff will be directly involved in the design of the system (including input from the PSCs) so that the

appropriateness of the information being gathered is constantly being evaluated. Inappropriate information will not be maintained in the system. The ongoing internal monitoring/evaluation of the project will be under the direction of the Project Director in the field headquarters, with participation of other field staff, the PSCs and short-term consultants as needed.

The main product of the MIS will be an annual report which will summarize all the major findings of the monitoring system for each project year. The report will be a synopsis of data from all program areas. Outputs will be measured and major lessons learned in implementation will be presented along with any major changes which seem to be indicated by the findings. The contractor will be responsible for the production of this report, with input from the sub-contractors, collaborating institutions and missions (PSCs) in each country.

The annual report will be supplemented with special case studies on the impact of project activities in the key areas of:

1. textbook adoption;

2. use of the books by students according to the Utilization Hierarchy described in the Social Soundness Analysis (Annex I.3).

3. use of the pamphlets and booklets by selected organizations;

4. growth in publishing industry marketing and promotion expertise in each country;

5. utilization of other technical assistance and training;

6. amount of increase in use of U.S. origin materials by students in selected universities; and

These case studies will be prepared on a yearly basis for selected topics.

Baseline data on a country-specific basis (such as number and type (U.S. or other) of textbooks adopted by professors, publishing industry marketing and promotion expertise in each country, etc.) will be needed from which future comparisons can be made. This information will be collected in the first year of the project as part of the Field Operations Specialist-supervised market study to be conducted to determine title selection recommendations, etc.

The overriding concern of the entire system is the use of information to make appropriate decisions and to chart project impact and achievement. Key indicators to be measured throughout the life of the project as part of the MIS would include:

1. Numbers of books published and distributed to university bookstores in each country.

2. Number of pamphlets/booklets in technical areas distributed to ministries and development agents in each country.

3. Use of book procurement services by USAIDs.

4. Use of on-line services to request information by USAIDs and other organizations.

5. Numbers of new titles in Spanish available in technical subjects.

6. Numbers of persons/institutions receiving training or technical assistance.

The MIS developed by the project will include all of these factors plus others identified in the course of start-up activities and as the project develops.

In addition to the indicators directly related to project success which would need to be monitored, the underlying assumptions of the project or its context will need to be carefully followed as well. Some of these key issues include:

1. The willingness of publishers and bookstores to work with the project.

2. The amount of subsidization necessary to encourage demand for U.S. materials.

3. An increase of Soviet origin materials which would outpace U.S. efforts.

4. The existence of sufficient relevant U.S.-origin titles for translation and distribution.

5. The superiority of U.S. materials in such areas as private sector development, management and technology transfer.

The ongoing MIS will greatly reduce the cost of periodic evaluations of the project. Since data on key variables will be made available to outside evaluation teams as needed, the time and effort involved in collecting evaluation data on a regional level should be decreased.

In addition to the internal evaluations, outside formal evaluations should be planned by AID at two points in the project:

(1) A formative evaluation should be conducted at the mid point of the project (two and a half years from its start) to examine project progress and make recommendations about changes necessary during the remaining years. By that time sufficient comparative data should be available to make useful comparisons with the baseline data.

(2) A summative evaluation should be conducted at the end of the project to measure accomplishments and success in achieving its stated goals.

Evaluation teams should be made up of specialists in information dissemination, publishing, technology transfer and institutional development. All should have significant Central American experience and be fluent in Spanish.

V. SUMMARY OF ANALYSES

The analyses developed in this project design focus on the technical feasability issues of the renewed RTAC program as well as economic and financial considerations, relevant social analysis issues and administrative considerations which can effect the outcome. No major constraints surfaced in these analyses which could be judged to present impediments to the succcessful implementation of the project. The considerable experience amassed during the previous RTAC project provides a solid basis from which to design a new effort and has resulted in a more informed design analysis than would be the case for a new development activity which had never been tried before.

A. Technical Analysis

The Technical Analysis deals with four distinct areas: (1) the environment in which RTAC II will operate; (2) resolution of design issues raised in the PID; (3) strategies to be used in project implementation; and (4) analysis of institutional opportunities and constraints. No technical difficulties or constraints were found in any of the four areas that will impede successful project implementation.

(1) The Environment In which RTAC II Will Operate

The environment in which RTAC II will operate is significantly different from the environment of the 1960s and 1970s when RTAC I functioned in ways which are relevant to the technical approach selected for RTAC II. The three areas discussed in some detail in the Technical Analysis (Annex E.1.) include:

a. Historical Perspective

Some historical perspectives concerning the circumstances which led to the development of RTAC I as compared to the circumstances which make the revival of RTAC II a priority were provided. These analyses conclude that the current problem which RTAC II addresses is not one of supply, as in RTAC I, but of effective demand, compounded by barriers created by national governments to conserve scarce dollars. If these problems are not addressed, there could be a decline in the use of textbooks of U.S. origin which gained substantial ground in the late sixties and seventies, resulting in a return to stale lecture notes fomenting the piracy of published U.S. works and facilitating increased Soviet penetration with free or nearly free books.

b. Price of Books, Lack of Availability of Hard Currency, and Book Piracy

Three inter related issues, the price of books, the lack of availability of hard currency, and book piracy, bear heavily on the environment in which RTAC II will operate. These must be kept in mind by the project design team, AID, and the selected

implementing contractor in determining the technical feasibility of various intervention strategies. U.S. textbooks are expensive even for U.S. students, but their affordability is a severe problem for Third World students and professionals. Book pricing policy is a complicated issue in any market, but given the backdrop of an unstable economy, lack of availability of hard currency, the high cost of credit, devaluation of local currency, etc., the cost of U.S.-origin books in Central America becomes prohibitively high for the end user. This in turn discourages textbook adoption by professors and encourages both piracy and the purchase of pirated books by the bookstores, so that demand can be met at affordable prices. Book piracy, the unauthorized publication of copyright-protected material for commercial gain, is a serious and rampant problem affecting the publishing industry in Latin and Central America and one that flourishes mainly because of pricing policies and problems with the availability of hard currency.

These interdependent problems of the price of books and hard currency availability, accounting for much of the success of book piracy, are not problems that can be raised and solved in this PP or any other document. They are the result of complex international monetary and economic realities. It is not under the purview of RTAC II to solve all of these problems; however, it was important to raise and discuss them, as RTAC II will be operating in an environment very much affected by these issues.

c. Other Donor Spanish-Language Book Programs in the Region

There are two other significant sponsors of Spanish-language book programs in the region:

(1) U.S. Information Agency (USIA)

The USIA embarked last year on the "Central American Book Initiative" (CABI), which is an expansion of its book presentation program operating in Panama, Guatemala, El Salvador, Costa Rica, Honduras, Belize, Nicaragua, and the Dominican Republic. This initiative is funded at $600,000 in FY 1986 with probable funding at the same level in FY 1987. In discussions with USIA staff, the need for frequent exchange of information on editorial plans and in-country distribution schemes was emphasized, in order to avoid duplication of effort regarding both selection and distribution of books. Past cooperation between the two programs was excellent, and reaction to a new RTAC program was extremely positive given the dimensions of the "book gap" and need for action on a broad front.

(2) Panamerican Health Organization (PAHO)

In the early seventies PAHO initiated a major effort to alleviate the shortage of medical textbooks in Spanish then available to students at reasonable prices. Later, a parallel program aimed at professional and sub-professional health workers was added. Funded by "soft" loans from the Inter-American Development Bank

($2 million in 1971 and $5 million in 1979), these programs, supplemented by substantial ongoing subsidies from PAHO, attempt to operate on the basis of recovering the full costs of book acquisition plus a small percentage for administration. Given PAHO's substantial coverage of the medical/health sciences, RTAC II would follow a highly selective course in order to supplement rather than duplicate PAHO's activities.

(2) Resolution of Design Issues Raised in the PID

a. The Adoption of Textbooks by Professors. At the beginning of RTAC I there was a great reluctance on the part of university professors throughout Latin America to assign texts; however, by the end of RTAC I it was estimated that the number of professors in technical areas assigning texts had risen sharply, to nearly two-thirds. In the intervening years between 1977 and the present, textbook adoption declined, principally due to the effects of the economic downturn in the early 1980s (recession, devaluation, reduction in disposable income, etc.) and also due to a decrease in the availability of quality up-to-date texts in Spanish. Field research has shown that currently approximately half of the professors of technical subjects who were interviewed assign a text for the classes that they teach and that when a textbook is assigned, about half the students purchase it. Professors repeatedly stated that if books were both affordable and of sufficient quality they would readily assign a text.

b. Willingness of Publishers and Bookstores to Cooperate With the Project. Field research indicated that publishers and bookstores had fond memories of RTAC I and would relish the opportunity to again work with a similar project.

c. The Willingness of AID Missions to Fund a PSC for In-Country Distribution of Materials. Field research and cables recieved from the AID Missions in the five participating countries (Panama, Honduras, Guatemala, Costa Rica and El Salvador) indicated that they are enthusiastic about an RTAC II project. They all indicated a willingness and ability to fund a person under a Personal Services contract to be responsible for in-country distribution. Likewise, all felt that provision of office space for the PSC will present no financial or logistical problems.

d. Whether to Publish the Books in Central America or Latin America. The established publishing capability in the region clearly lies in Mexico, and to some extent, Argentina, at the current time. A variety of contractual and technical approaches for publishing textbooks may be considered during project implementation, including contracting with the original publisher of a book (usually a Mexican publisher or the Mexican affiliate of a U.S. publisher) to have copies of a book reprinted, and attempting co-publishing, or the production of co-editions by both the original company and a Central American printer/publisher, as an experimental technique. The latter approach would strengthen the small publishing and printing

capability that currently exists in Central America and help establish linkages for future cooperation. However, publishers have mixed feelings about giving away or selling some or any part of the rights in the process, so creative ways to establish and promote agreements beneficial to both parties could be explored during project implementation.

(3) Strategies to be Used in Project Implementation.

Two specific strategies in the implementation of RTAC II were addressed:

a. The Title Selection Process. Historically, because university professors did not routinely assign texts for their classes, the title selection process for RTAC I was supply-driven. Because of changes in textbook adoption patterns, RTAC II will be demand-driven. Title selection shall be accomplished through initial and periodic market studies conducted by the Contractor. Guidelines for title selection determinations are provided in the Technical Analysis (Annex E.1). The contractor will be required to take every reasonable precaution to ensure that politicized or controversial texts are not provided with project funding to university bookstores. The necessary steps to ensure compliance will be detailed in the implementation/procurement plan which will be prepared by the contractor in the first quarter of the project. Project design and focus contributes to a lessening of probability for politicized or controversial texts since priority subject areas are in technical fields where the prevalence of politicized materials is minimal to non-existant. In those areas where politicized materials are more likely such as economics, political science and sociology, title selection will be on a case-by-case basis reviewed by the contractor and the AID/W Project Monitor. In all cases, in these areas, the contractor must ascertain from the publisher that the English language versions are used as textbooks in U.S. institutions.

b. The Subsidization of Bookstores. Reducing the price of textbooks to university students ultimately depends upon some form of subsidy being given to either individuals (the students) or institutions (bookstores or publishers). Since the university bookstore has been elected as the preferred mechanism for distribution to end users, the subsidy for the proposed RTAC II project would be provision of working capital to bookstores selected to participate in the project. Most often these will be existing or newly formed university bookstores, but sometimes they could be private bookstores. This subsidy will be in the form of U.S. dollars and/or local currency contributions from the missions and/or "in-kind" contributions in the form of textbooks from RTAC II.

The flow of resources would be to the bookstores but the benefits would flow to the student buyers in the form of reduced book prices. According to the stringent rules and conditions agreed upon at the outset and included in a cooperating agreement between the RTAC II contractor and each participating bookstore

(examples of which are included in Technical Analysis, Annex E.1.), proceeds from the sale of books would be plowed back into the working capital of the bookstore for another round of procurement. Willingness on the part of the bookstore management and parent institution to accept these provisions would be mandatory for participation in the RTAC II initiative.

(4) Analysis of Institutional Opportunities and Constraints

The analysis showed that the implementation of RTAC II requires close cooperation with organizations in the region, in particular university and other bookstores, to distribute the textbooks to the target student groups. Long experience has shown that certain bookstores should be given priority in implementing the project (see Priority Tables in Technical Analysis, Annex E. 1) and that there are a large number of Central American public and private universities which can participate in the project (see Central American Public and Private Universities Table in Technical Analysis, Annex E. 1).

In general, priority will be given to using existing university bookstores. Where university bookstores do not exist, an assessment will be made as to whether a new bookstore should be created or whether an existing commercial bookstore can meet project criteria for distribution. In some cases, the creation of a central bookstore which can serve a number of universities in the same area would provide significant economies of scale and provide opportunities for pooling orders and increasing volume of sales. Initial assessments by the contractor will include selection with the USAID's target bookstores in each country to begin textbook distribution. Decisions will be made based on local capacity and possibility for long term sustainability of distribution beyond project life.

B. Economic and Financial Analysis

The conclusions of these analyses focus on the benefits to be gained through the project for the target beneficiary groups. There are opportunities in the project to readily quantify the outputs delivered (books and printed materials), numbers of referrals through the on-line access system, and to estimate the number of actual users who will utilize the books as well as the services to be provided to USAIDs. In addition, persons trained under the project in information skills can be counted as can numbers of workshops held, etc. The project therefore provides ample means to quantify the outputs it will deliver. These measures will, however, tell only part of the story as the important impact of increasing positive U.S. presence through books, pamphlets and other materials being distributed through the project and the influence on future leaders of being provided crucial technical materials from the U.S. as part of their training is more difficult to measure but of equal or greater importance to both political and development goals for the region.

Drawing on information gathered during RTAC I, it is possible to identify the university students who will be the primary target group and to be relatively certain to reach them with the project thereby reducing the risk on the investment considerably. The $10 million plus (including the mission-provided PSC and office space) budget proposed over five years would be used to provide books to as many of the 200,000 students enrolled in technical faculties in the region (See E.3 Tables) as possible. If only half (considered a worst scenario estimate) of the targeted population were reached (approximately 100,000 students), the per beneficiary cost would be approximately $100, an impressive ratio. This does not include the individuals and institutions/governments, libraries, bookstores, publishers, and other private sector distributors that will also benefit from the textbook program as well as the many beneficiaries of the pamphlet and booklet program, the book procurement service, and the expansion of on-line access to U.S. educational and technical information in each country. Additional individuals and institutional benefits will come from the technical assistance and training provided by the project. Benefits will therefore exceed substantially the $100 per university student measure alone. Given current budget projections Product output per year will be approximately 100,000 books and 300,000 booklets and pamphlets.

University bookstores are another targeted beneficiary group. A Capitalization of Bookstores Chart is included in the Economic Analysis (Annex E.2.) of this PP which shows at current projected budget levels, the financial impact over time of the RTAC II subsidization of bookstores. Although the total amount of project money spent specifically on books was $4,516,000.000, the amount of capital received and designated for reinvestment as a result of RTAC II , totals over $22 million, a five fold return on money spent.

The selection of the proposed RTAC strategy was made after examining six alternatives. Five of these were not selected for sound technical and financial reasons. These rejected alternatives include:

1. Creation of New Technical Materials in Spanish rather than purchasing ones that already exist or translating English materials. This was discarded because excellent, up-to-date educational, training and outreach materials already exist and many are in Spanish. The creation of new materials is moreover very expensive and would therefore drastically reduce the number of outputs to be supplied under the project while not improving the quality of materials.

2. Development of Publishing Industry in Central America was not chosen because strengthening local publishing industries in each of the five countries would require an investment of $10 million per country and there would not be an internal market in each country which is sufficiently large to sustain growth and expansion after RTAC ended. Use of publishing facilities already

established in Latin America, notably Mexico, would be more economical.

3. A Book Give-Away Program was discarded because it would result in the distribution of an average of only one-half book per student per year. Books would be distributed at the expense of private enterprise (bookstores) whereas the proposed strategy will develop re-investment capital and assist them in developing improving marketing capability so that U.S. books can be continuously available after the life of the project.

4. A Scrip (voucher) System for students, which is a variation of the third alternative, would heavily subsidize the cost of books to students by using a voucher system good for certain books. This method was tried in Latin America during the 1960s and discarded because of high administrative costs, emergence of black market abuses, and difficulty in maintaining benefit flow to the target groups of students.

5. University Printing of Manuscripts was rejected because in most countries the quality of manuscripts available was poor and often pirated. These materials would also be country-specific and of limited use in other parts of the region therefore requiring massive duplication of efforts.

Careful examination of possible technical alternatives has resulted in both an economic and technical decision to use the proposed strategy to yield the most benefit per student as well as the greastest benefit for local enterprise and institutions in the five target countries.

C. Social Soundness Analysis

The project has been found to have a positive potential social impact on the beneficiairy groups in each country and for the region as a whole. The social soundness analysis (Annex E.3) addresses sociocultural feasability, diffusion of innovation, and social consequence and benefit incidence.

Sociocultural Feasability

All the countries included in the project (Guatemala, Honduras, Costa Rica, Panama, and El Salvador) give high priority to the in-country education of specialists in the technical areas targeted by the project. For instance, Honduras has increased expenditures in education 33% over last year. In Guatemala devaluation of currency has led to more students completing their studies at home. Despite economic problems Costa Rica devotes one-third of its national budget to education. In Panama has made intense efforts to improve its educational system. In its attempts to restore its educational system to pre-conflict levels, El Salvador has given priority to textbook availability and teacher training.

The habit of textbook adoption is established in the target countries largely because of RTAC I, and it is expected to increase as more U.S. texts are made available under the new project. Professors not currently assigning texts have indicated a willingness to adopt them if availability and affordability improves. Current enrollments in universities are on the increase and this trend is expected to continue, thereby increasing demands for Spanish-language texts proportionately. The need is as great now as it was in the 1960s and 1970s and research conducted during design indicates that publishers are willing to participate actively in RTAC II. They see it as an opportunity to strengthen and expand markets at a time when they are competing against book piracy, heavily subsidized Soviet books and economic problems. (see Technical Analysis Annex E.1).

Materials to be distributed through the project will be in Spanish and translated by professionals knowledgeable about and sensitive to adaptation of the content to non-culture-bound examples as needed. The use of major publishing houses which exist in Latin America greatly improves the applicability and cultural relevance in both the content and language to be used in the texts. Latin Americans who are expert in the field will be responsible for translation.

Diffusion of Innovation

The use of materials and their impact on individuals has been successfully measured through the use of a "Utilization Hierarchy" (See Annex E.3) which can indicate how information has been used once a technical book or pamphlet is distributed. Through follow-up interviews with selected information recipients, it is determined whether the information was used effectively for application or merely for referential purposes. A seven-step hierarchy can be used to determine some of the impact of the information. When it moves from referential to applicative use there is a crucial step in the impact of information on development. Previous research using the hierarchy has shown that as many as 50% of information users in selected Latin American countries used information in application (in training, setting policies, applied research or hands-on application). This finding reinforces the assumption that textbooks and booklets once received will be used and even may be applied to future problem-solving. University students will have greater motivation to use the disseminated books since they will have devoted scarce resources to procuring them.

It is expected that most books will have multiple users, either through sharing or re-use by successive students. By targeting first through third year university students it is possible to more accurately assess the spread effect over the project life and beyond. The texbook adoption strategy therefore becomes a key element in the utility of the selected texts. If the

professor has selected the text himself or herself, students are more likely to feel the need to acquire and use it. Books are also more likely to persist from year to year for multiple use if a professor has selected them.

Social Consequence and Benefit Incidence

Despite large investments by the U.S. in training in the United States, the fact remains that most Central American youth will be trained in universities in their home country. They will become the political and professional elites of their countries and are a key element of any strategy to improve leadership quality and increase U.S. influence in the region. The targeting of the more than 200,000 students enrolled in technical faculties in Central America for participation in the textbook distribution program is especially appropriate. Enrollments in each country have increased significantly in the last 15 years, and the regional total has increased from around 55,000 to more than 320,000 with more than 200,000 in technical fields. The potential impact of the major program component is therefore well-targeted and substantial.

Important secondary benefits will include availability of books to professionals using the bookstores, strengthening of the publishing industry in Latin America participating in the project, and improvement of university libraries through availability of new texts and materials.

The beneficiaries of the pamphlet and booklet program will be the development professionals responsible for programs in key ministries in each country. USAID will be able to provide these decision-makers with relevant materials and at the same time increase their access to programs not funded by USAID. The groups which are the targets of the development programs will benefit indirectly by the provision of appropriate materials to the extension workers, health workers, teachers and others who are responsible for helping them promote development.

A significant amount of project benefits will accrue to the organizations involved with book distribution who will benefit from training under the project. Organizations will also gain from expanded access to technical information through use of on-line, project-sponsored networks.

The project is unique in that it is expected that both men and women will share equally in its benefits, since large numbers of women are enrolled in the targetted universities. In addition a substantial number of Latin American library science and information distribution professionals are also women and will have access to training and skills-building under the project.

The project will operate in a positive social climate and will avoid cultural problems which can occur with outside assistance by making full use of existiing Latin American capability for editing and translation. The number of potential beneficiaries

is large and important, and the potential secondary beneficiaries, both organizational and at the local development level, offer important additional benefit incidence for the project.

D. Administrative Analysis

There are three management entities which will be involved in the overall running of RTAC II: AID/Washington, the USAID Field Missions, and the prime implementing agent, the Contractor.

The responsibilities of each follows:

(1) AID/Washington--The AID Project Officer. The AID Project Officer will have primary responsibility for providing the AID policy and implementation guidance for the project and for arranging external evaluations. He/She will also be responsible for the negotiation of the inter-agency agreement with the RSC for the printing of the pamphlets/booklets. It is anticipated that project monitoring will require not more than one-third of the Project Officer's time. He/She will need to plan to take two two-week trips each year to visit the field staff and missions.

(2) USAID Field Missions. USAID Field Missions in each of the participating countries will play a major role in the project by: (a) providing office space from which to run the project; (b) funding a responsible host country national in each country under a personal services contract (PSC) to be in charge of materials distribution and program mangement on a day-to-day basis; and (c) providing funds for in country travel for PSCs to periodically followup with recipient organizations.

(3) Prime Implementing Agent, the Contractor. AID will contract with an 8-A minority Contractor to perform or arrange for all project implementation actions and functions. The Contractor shall hire a four-person field staff consisting of a Project Director, Contract Administrator, Promotion Specialist, and Administrative Assistant. The Executive Officers of the Contractor shall be responsible for ensuring that AID policies are followed in the execution of the Project, assume overall responsibility for the qualitative performance of the contract and provide appropriate administrative and financial backstopping for the field staff. In addition, short-term training and technical assistance in the areas of marketing and promotional strategies, computerized data base searching, management and administration, and equipment training shall be provided by consultants hired by the Contractor to the AID missions, PSCs, staff/organization in charge of in-country distribution, university bookstores, and others.

E. Environmental Analysis

In Annex A, the PID Approval Message and IEE indicate that a negative determination was made at the PID stage for this Project. The Project is a document and information transfer project and an education, technical assistance and training program and therefore is categorically excluded from the necessity of an Environmental Analysis.

ANNEX A. PID APPROVAL MESSAGE

INFORMATION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR (LAC)

FROM : LAC/DR, Terrence J. Brown

SUBJECT : Central America Regional Project -- Regional Technical Aids Center II (RTAC II) No. 597-0011 -- DAEC Decisions on PID Review

The purpose of this memorandum is to advise you of decisions taken in a DAEC on July 7. (The PID Issues Paper is attached FYI).

The principal findings of the DAEC were as follows:

1. PID Approval. I recommend that the PID be approved and that the PP be developed for a project of $10.0 million, as agreed at the review of the Central America Regional Action Plan review. The PP will take into account points which were decided at the DAEC and which are listed in Section No. 3 below.

2. Project Development Schedule. While much of the PP work has already been done, the time remaining in the Fiscal Year for its completion and the authorization and obligation of the project is very short. We are currently looking at alternative obligation options for the $800 thousand in EHR funds currently programmed this year in case a FY 1986 obligation under RTAC proves unworkable. A go/no go decision on the FY 1986 obligation must be made on August 11 to permit the shift of funds to another activity if necessary.

3. PP Development Considerations

(a) Distribution of Project Materials. It was agreed that the project should use a distribution system which gets the most books out while capitalizing a continuation program. To that end, the PP will look at a number of pertinent issues including:

Institutional contraints of distribution systems in participating countries which would affect sales, such as market size, general demand for the materials in question, and the distribution structure itself (e.g., in some countries university bookstore systems will be used, while in others, private bookstores may be the way to go).

Policy constraints, such as academic policies, which might affect university bookstores; and pricing policies, especially as they pertain to subsidies and/or control of profits.

Sales reflows, and how they should be used.

A procurement plan which will show how the materials will be purchased and distributed, from where, when, and by whom.

(b) Mission Support. The PP will contain a section which establishes the ground rules for Mission buy-ins to the project (including Missions outside Central America). This same section should also be used to support the authorized life of project amount by taking into consideration any expected buy-ins.

(c) Text Selection. The PP will contain a text selection methodology which allows the greatest latitude to the contract manager for the project in choosing materials, while providing A.I.D. with safeguards against politicized or otherwise controversial texts which might be injurious to the project.

(d) New Materials. No materials which are not available in Spanish now will be published under this project to achieve maximum distribution of textbooks within project budget resources.

(e) Goal Statement. The project goal and purpose are basically political in nature, but are not well supported by the strategy rationale. The PP will either strengthen the rationale for the goal and purpose as stated, or a revised goal and purpose.

INFORMATION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR (LAC)

FROM : LAC/DR, Terrence J. Brown

SUBJECT : Central America Regional Project -- Regional Technical Aids Center II (RTAC II) No. 597-0011 -- PID Issues

A DAEC is scheduled to review the subject project PID at 2:00 p.m. on Monday, July 7 in the LAC/DR Conference Room (2248, N.S.).

The project goal is to achieve the Kissinger Commission objective of increased U.S. participation and influence in higher education and training of Central American professionals and leaders. The project purpose is to increase the availability of U.S. technical books and audio-visual materials in Spanish for key target groups in Latin America and to provide increased A.I.D. access to a broad base of national institutions and decision-makers.

The proposed $20.154 million grant project is to take place over the next five years in the Central America and Panama region, and will be administered by a contract team operating either in the U.S. or the region in collaboration with bilateral Missions. The project will finance six activities as follows: 1) the purchase or translation of textbooks and other technical books and their distribution through university bookstores and a free distribution systems directed at professors, libraries, technicians, and opinion leaders; 2) translation and distribution of U.S. government pamphlets and booklets to educational institutions, governmental agencies and private business; 3) the brokering of other U.S. information services to organizations in the Central American region, to include on-line searches for U.S educational and technical information; 4) a book procurement service to A.I.D. Missions and other organizations in the region; 5) U.S. audio-visual materials for distribution to public and private training institutions; and 6) technical assistance to publishers, bookstores, and other groups involved in the distribution of project-financed technical materials.

An IEE has not been prepared on the project by LAC/DR/EST which recommends a negative determination on the project.

An issues meeting was held on this project on July 1. At that meeting it was agreed that a revised economic analysis prepared by LAC/DP should be included in the final PID in lieu of the analysis section submitted with the PID.

The DAEC will discuss the following issues:

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1. Mission Support. The PID indicates that the bilateral Missions in the area will be expected to provide "wholehearted" philosophical and financial support to the project for it to be viable. Have the bilateral Missions committed themselves to supporting this project?

2. Distribution of Project Materials to the Private Sector. Presumably books, pamphlets, and so forth will be distributed free of charge to libraries, universities, and other educational or service agencies. Aside from these channels, how is it envisioned that project books and publications would be distributed to the general public? If project materials pass through profit making enterprises, should those enterprises have to pay for the materials? If so, to whom should payments be made, and how much? Should profits be limited?

3. Text Selection. The PID indicates that AID/W would be involved in selection of the texts. Is this necessary? How much of a danger would we run in letting the contractor make the final decision?

4. New Publications. The PID contemplates the production of some new materials. Would new materials be more trouble than they are worth? Would it not be more cost-effective to stick with existing texts or those be developed by someone else?

5. U.S. Identification. The project will clearly link the U.S. with the materials to be distributed in most cases. Will this create a backlash in terms of adoption and distribution of texts, particularly in the universities? What about publishers and bookstores? Should the distribution approach be lower key in terms of identification with the U.S?

6. Goal Statement. While the project clearly would support recommendations of the NBCCA, is it appropriate to make a recommendation of the Commission a goal of the project? How do we go about putting a more developmental cast on this project - or is that possible?

7. Life of Project Funding (Clarification). the PID calls for a grant of $20.0 million. However, the Action Plan review committee determined that the project should not exceed $10.0 in value. Is there any reason to change this decision?

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ANNEX B. LOGICAL FRAMEWORK

NARRATIVE SUMMARY

Program Goal:

Increased U.S. participation and influence in the education and training of Central American professionals and leaders.

Project Purpose:

Increase the availability and use of U.S. technical books and materials in Spanish to university students and development professionals in Central America.

Outputs:

1. Textbooks /technical materials translated into Spanish and distributed at affordable prices through bookstores.

2. U.S. government and other pamphlets/booklets on technical and development topics translated and distributed to grass roots organizations, development projects, and ministry extension services in each country.

3. Technical assistance, training and services provided in each country, including:

   a. technical information brokering, and a
   b. technical book procurement service.

4. Infrastructure for publishing/distributing technical materials in Spanish strengthened in each country.

5. Professionals trained in information distribution techniques and skills in each country.

Inputs:

1. Technical assistance for distribution of materials, training of information specialists, identification of selected textbooks, and establishment of monitoring system.

2. Translation services to provide U.S. technical books and pamphlets in Spanish.

3. Purchase of translated materials for distribution.

4. Fees for utilization of on-line access to technical information.

5. Microcomputers for management information system (MIS) and on-line access.

6. Technical assistance for each mission to manage their participation in the regional project and local distribution of texts and materials.

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OBJECTIVELY VERIFIABLE INDICATORS

Measures of goal achievement

* Central American leaders using U.S. textbooks and technical information.

* Textbook adoption of U.S. materials increases at universities in Central America.

End of project status

* A 30% increase in the use of U.S. materials in selected universities by end of project.

* A 10% increase in orders of U.S. books by bookstores in distribution system over life of project.

* Comparable increases in U.S. materials displayed and sold in university bookstores by year three of project.

* Targetted university bookstores show a 50% increase in sales volume by the end of the third year.

* Ratio of U.S. to Soviet materials sold in targetted bookstores increases each year throughout life of project.

Magnitude of outputs necessary and sufficient to achieve purpose

* 500,000 books in technical areas being used by students, government ministries and development practitioners at end of project.

* 1.5 million free pamphlets/booklets distributed to extension services, grassroots organizations, leaders, and technicians during life of project.

* Annual increases in requests for on-line information services from U.S. throughout life of project.

* Each USAID in region uses project book procurement services to supplement information available to institutions, technical personnel and development programs in their country.

* Numbers of U.S. origin textbooks available in Spanish in key technical areas increases over life of project by 20%.

* Five to ten information technology professionals trained per country in marketing strategies, distribution techniques, on-line access and information management over life of project.

LEVEL OF EFFORT/EXPENDITURE FOR EACH ACTIVITY

RTAC II BUDGET - PP
($000)

	FY 86	FY 87	FY 88	FY 89	FY 90	Total
Personnel:						
Project Staff	326	346	368	388	408	1,836
Technical Assistance and Training	150	150	150	150	150	750
Program Areas Costs						
Textbook Program	700	1,000	1,000	1,000	816	4,516
Pamphlets and Booklets	150	150	150	150	150	750
Data Base Searching	0	10	10	10	10	40
Warehousing and in-country shipping of materials	60	60	60	60	60	300
Other Direct Costs						
Moving Costs and Allowance	102	58	65	59	66	350
Travel	106	106	106	106	106	530
Telecommunications	12	12	12	12	12	60
Microcomputers (Purchase & maintenance	40	4	4	4	4	56
Printing and Xeroxing	12	12	12	12	12	60
Working/Training Sessions	60	60	60	60	30	270
TOTAL COSTS	1,718	1,968	1,997	2,011	1,824	9,518
General and Administrative Costs	98	93	96	98	97	482
GRAND TOTAL	1,816	2,061	2,093	2,109	1,921	10,000

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MEANS OF VERIFICATION

Program Goal

Survey of returned participants and selected book purchasers.

Survey of selected bookstores in each country.

Project MIS data

Project Purpose

Records from university bookstores

Project MIS record

Pamphlet/booklet distribution records

Annual internal evaluation reports

External evaluation reports

Outputs

Project MIS

USAID records

Survey of selected bookstores

Use statistics from on-line services

Training reports from workshops and seminars

Inputs

MIS

Financial management system

USAID records

IMPORTANT ASSUMPTIONS

Concerning long-term value of program/project

* U.S. technical materials represent state of the art in many disciplines and are superior to materials produced by the Soviets in key areas therefore Central Americans with access to these materials will have a professional "edge".

* Increase access to these materials and their proven usefulness will have a significant positive impact on Central American attitudes towards the U.S.

Affecting Purpose to Goal Link

* Local economies do not deteriorate below present levels so that income needed to purchase textbooks is available.

* Demand for U.S. materials will substantially increase due to subsidized distribution.

* Increases in availability of Soviet materials does not outpace U.S. efforts.

Affecting output to purpose link

* Suitable U.S. titles remain available for translation and reprinting.

* U.S. book manufacturers remain willing to furnish materials for translation.

* Sufficient U.S. government relevant books and pamphlets remain available in key technical and development areas for free distribution.

* U.S. materials in key areas of private sector development, management technology, information and computer science and technology transfer continue to prove superior to similar Soviet origin materials.

* U.S. materials in key scientific and technical areas have competitive edge due to more up to date content and applicability over Soviet materials in same categories.

* This edge offsets potential price differences caused by heavy Soviet subsidization of Spanish materials.

Listed below are statutory criteria applicable generally to FAA funds, and criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBLITY

1. FAA Sec. 481. Has it been determined that the government of the recipient country has failed to take adequate steps to prevent narcotic drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the U.S. unlawfully?

This is a Regional Project, and not with any one government. Serves all of Central America and Panama except Belize and Nicaragua). None of these countries is out of compliance with FAA Sec. 481

2. FAA Sec. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government?

	FAA Sec. 620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?	N.A.
4.	FAA Sec. 532(c), 620(a), 620(f), 620D; FY 1982 Appropriation Act Secs. 512 and 513. Is recipient country a Communist country? Will assistance be provided to Angola, Cambodia, Cuba, Laos, Vietnam, Syria, Libya, Iraq, or South Yemen? Will assistance be provided to Afghanistan or Mozambique without a waiver?	N.A
5.	ISDCA of 1981 Secs. 724, 727 and 730. For specific restrictions on assistance to Nicaragua, see Sec. 724 of the ISDCA of 1981. For specific restrictions on assistance to El Salvador, see Secs. 727 and 730 of the ISDCA of 1981.	N.A.
6.	FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction by mob action of U.S. property?	N.A.

7. FAA Sec. 620(l). Has the country failed to enter into an agreement with OPIC? N.A.

8. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters? N.A.

(b) If so, has any deduction required by the Fishermen's Protective Act been made?

9. FAA Sec. 620(q); FY 1982 Appropriation Act Sec. 517. (a) Has the government of the recipient country been in default for more ~~than~~ six months on interest or principal of any AID loan to the country? (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the appropriation bill appropriates funds? N.A.

10. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the amount of foreign exchange or other resources which the country has spent on military equipment? (Reference may be made to the annual "Taking into N.A.

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Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

11. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? N.A.

12. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? (Reference may be made to the Taking into Consideration memo.) N.A.

13. FAA Sec. 620A; FY 1982 Appropriation Act Sec. 520. Has the country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism? Has the country aided or N.A.

abetted, by granting sanctuary from prosecution to, any individual or group which has committed a war crime?

14. FAA Sec. 666. Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? N.A.

15. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device, after August 3, 1977? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.) N.A.

16. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Session of the General Assembly of the U.N. of Sept. 25 and 28, 1981, and failed N.A.

to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the Taking into Consideration memo.)

17. ISDCA of 1981 Sec. 721. See special requirements for assistance to Haiti.

N.A

B. UNDING SOURCE CRITERIA FOR OUNTRY ELIGIBILITY

Development Assistance Country Criteria.

a. FAA Sec. 116. Has th Department of State determined that this government has engaged i a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit th needy?

N.A.

Economic Support Fund Country Criteria

a. FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the country made such significant improvements in its huma rights record that furnishing such assistance is in the national interest?

N.A

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b. ISDCA of 1981, Sec. 725(b). If ESF is to be furnished to Argentina, has the President certified that (1) the Govt. of Argentina has made significant progress in human rights; and (2) that the provision of such assistance is in the national interests of the U.S.?	N.A.
c. ISDCA of 1981, Sec. 726(b). If ESF assistance is to be furnished to Chile, has the President certified that (1) the Govt. of Chile has made significant progress in human rights; (2) it is in the national interest of the U.S.; and (3) the Govt. of Chile is not aiding international terrorism and has taken steps to bring to justice those indicted in connection with the murder of Orlando Letelier?	N.A.

5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only: B.1. applies to all projects funded with Development Assistance Funds, B.2. applies to projects funded with Development Assistance loans, and B.3. applies to projects funded from ESF.

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

A. GENERAL CRITERIA FOR PROJECT

1. FY 1982 Appropriation Act Sec. 523; FAA Sec. 634A; Sec. 653(b).

   (a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project; C.N.

   (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than $1 million over that amount)? Yes

2. FAA Sec. 611(a)(1). Prior to obligation in excess of $100,00, will there be

(a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?	a. No b. Yes
3. <u>FAA Sec. 611(a)(2)</u>. 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?	N.A.
4. <u>FAA Sec. 611(b); FY 1982 Appropriation Act Sec. 501</u>. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? (See AID Handbook 3 for new guidelines.)	N.A.
5. <u>FAA Sec. 611(e)</u>. If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed $1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?	N.A.

6. FAA Sec. 209. Is project susceptible to 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.

This is a regional project and is being executed on that basis.

7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

a. Yes

b. Yes

c. Yes

d. Yes

e. Yes

f. No

8. FAA Sec. 601(b). Information and conclusions 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).

Indirectly through partially or wholly owned subsidiaries of U.S. publishing companies

	FAA Sec. 612(b), 636(h); FY 1982 Appropriation Act Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.	
10.	FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?	Individual Missions in selected Central American countries generate excess local currencies which may be used as part of augmentative mission support to project activities
11.	FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?	Yes
12.	FY 1982 Appropriation Act Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?	No
13.	FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does	Yes

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the project or program take into consideration the problem of the destruction of tropical forests?

14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)? N.A.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102(b), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and

poor university students will have increased possibility to acquire textbooks because of lower unit costs. Distribution of non-commercial pamphlets will be aimed at lower educational levels and will be provided to organizations which tend to work with the less advantaged.

b. N.A.

otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?	c. N.A. d. By providing textbooks to students, 40-60% of whom are women, they will be better prepared academically to participate in the national economy e. N.A.
b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?	Yes
c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?	N.A.
d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activitiy with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?	N.A.

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e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction, expansion, equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than $100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a predominantly technical assistance character.	Yes N.A
f. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?	N.A.
g. 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	Project supports improved access to textbooks by university students, thereby improving a country's intellectual resources. It capitilized on in- country sales infrastructure and thereby supports increased institutional development.

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institutional development; and supports civil education and training in skills required for effective participation in governmental processes esential to self-government.

2. Development Assistance Project Criteria (Loans Only)

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

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

ISDCA of 1981, Sec. 724 (c) and (d). If for Nicaragua, does the loan agreement require that the funds be used to the maximum extent possible for the private sector? Does the project provide for monitoring under FAA Sec. 624(g)? N.A.

3 Economic Support Fund Project Criteria

a. FAA Sec. 531(a). Will this assistance promote economic or political N.A.

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stability? To the extent possible, does it reflect the policy directions of FAA Section 102?

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

c. FAA Sec. 534. Will ESF funds be used to finance the construction of the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such use of funds is indispensable to nonproliferation objectives?

d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

5C(3) - STANDARD ITEM CHECKLIST

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

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

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? — Yes

2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him?

3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? — N.A.

4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be — N.A.

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financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)	
5. FAA Sec. 604(c). Will construction or engineering services be procured from firms of countries otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one or these areas?	N A
6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent that such vessels are available at fair and reasonable rates?	
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other	Yes

Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

8. International Air Transport. Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? — Yes

9. FY 1982 Appropriation Act Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?

B. nstruction

FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services to be used? — N.A.

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? — N.A.

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3. FAA Sec. 620(k). If for construction of productive enterprise, will agggregate value of assistance to be furnished by the U.S. not exceed $100 million (except for productive enterprises in Egypt that were described in the CP)? — N.A.

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? — N.A.

2. FAA SEc. 301(d). If fund is established solely by U.S. contributions and administed by an internatioal organization, does Comptroller General have audit rights?

3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? — Yes

4. Will arrangements preclude use of financing:

a. FAA Sec. 104(f); FY 1982 Appropriation Act Sec. 525: (1) To pay for performance of abortions as a method of family — N.A.

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planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization;	N.A.
(3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a mean: of family planning;	N.A.
(4) to lobby for abortion?	N.A.
b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property?	N.A.
c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs?	N.A
d. FAA Sec. 662. For CIA activities?	N.A.
e. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained?	N.A.
f. FY 1982 Appropriation Act, Sec. 503. To pay pensions, annuities, retirement pay, or	N.A.

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adjusted service compensation for military personnel?	
g. FY 1982 Appropriation Act, Sec. 505. To pay U.N. assessments, arrearages or dues?	N.A.
h. FY 1982 Appropriation Act, Sec. 506. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)?	N.A.
i. FY 1982 Appropriation Act, Sec. 510. To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields?	N.A.
j. FY 1982 Appropriation Act, Sec. 511. Will assistance be provided for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights?	N.A.
k. FY 1982 Appropriation Act, Sec. 515. To be used for publicity or propaganda purposes within U.S. not authorized by Congress?	N.A.

ANNEX E. PROJECT ANALYSES

1. Technical Analysis

The Technical Analysis section of this PP will deal with four distinct areas: (1) environment in which RTAC II will operate; (2) resolution of design issues raised in the PID; (3) strategies to be used in project implementation; and (4) an analysis of institutional opportunities and constraints.

(1) The Environment in Which RTAC II Will Operate. Although the concept behind RTAC II has been tried and proven by RTAC I, the environment in which RTAC II will operate is significantly different from the environment of the 1960s and 1970s in a number of ways which are relevant to the technical approach selected. The areas that will be discussed in some detail are: (A) historical perspectives concerning the circumstances which led to the development of RTAC I as compared to the circumstances which make the revival of RTAC II a priority; (B) the effects of the unstable economic situation in Central America on the book publishing and retailing industries, including the proliferation of book piracy; and (C) the Spanish-language book programs of other donors in the region and their potential relationships with RTAC II.

A. Historical Perspective. When RTAC I undertook to deal with the "book gap" in the early sixties, circumstances were vastly different from those prevailing today. There was an absolute scarcity of technical books in Spanish, especially university level texts. The lecture note system of instruction was still firmly entrenched, and few publishers in Mexico City and Buenos Aires were willing to risk scarce capital in a thin and uncertain market. Those who did turned out small and resultingly high-priced editions which reform-minded professors were reluctant to prescribe as texts. Even in Mexico, with the peso stable at 12.5 to the U.S. dollar, the going rate for working capital was 20-25% per annum.

Lacking resources to attack the problem on both the supply and demand fronts at once, RTAC I opted to tackle the supply side first. The mechanism was simple -- to underwrite new titles by agreeing to purchase a specific number of copies (usually 500-1000) at a specific price (usually 40%) off the proposed list price. The publisher agreed to produce a total edition of at least 2000 copies, usually more, with the list price based on this edition size. The copies purchased by RTAC I were distributed through the missions to university faculties, libraries and pertinent branches of the host country bureaucracies. The objective was to "seed the market" by making the books known to potential users and, hopefully, stimulating the purchase of additional copies.

The publishers welcomed this subsidy because it helped them to recover substantial out-of-pocket costs early and boosted prospects for further sales. U.S. publishers, who had not yet begun to take an interest in the Spanish-language market, saw at first only an opportunity to sell the Spanish-language rights. Subsequently, as the market grew, they entered into joint

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ventures with national counterparts and, towards the end of RTAC I, American publishers were opening wholly-owned subsidiaries in Mexico. Some of these were literally launched with RTAC assistance and have become the dominant technical publishers in the region, e.g. McGraw-Hill.

In the early days of RTAC I, when efforts were being made to expand the market, it became clear that merely "seeding the market" was not enough. The international marketing apparatus consisted largely of "exclusive" distributors, usually passive book sellers located in the capital cities. Retailing at prices 150-200% above publishers' list was not uncommon; on-campus university bookstores were virtually non-existent, and the "college traveler", a critical figure in textbook marketing in the U.S. and other developed countries, was rare, indeed. With such a thin, fragmented market, publishers did not deem it worthwhile to hire and maintain personnel to carry out an aggressive international marketing program.

Then as now, the retail price of books in relationship to student purchasing power was a critical issue. In the belief that students unable to buy texts might be able to afford the price of renting them (15-25% of purchase price) RTAC I initially sponsored textbook rental library projects. These failed for several reasons--poor title selections, poor management, and most important and surprising: most students just refused to spend their money on an item they couldn't keep as their own. This experience led to a search for a more viable approach.

In the late sixties (in spite of early opposition from some U.S. publishers and many L.A. book dealers), RTAC undertook to establish on-campus university bookstores on a target-of-opportunity basis. Since this required funding outside RTAC I's resource base, the missions were asked to join in the effort by providing the seed capital required to launch such enterprises. The missions generally responded positively, some with great enthusiasm, seeing an opportunity to establish working relationships with institutions not otherwise in the country program orbit or difficult to deal with on political grounds. Early results were promising, so the effort was expanded each year to include more institutions and to strengthen bookstores started earlier but inadequately capitalized. The effort was further reinforced by the addition of an essential ingredient -- the training of bookstore managers. Fortunately, two talented, dedicated, RTAC staffers, who were the prime movers in the bookstore initiative, were available to conduct this training. Their skills were supplemented by those of a bilingual bookstore manager from the University of Texas at El Paso.

By the time RTAC I closed down it could point with pride to some 120 on-campus bookstores in the L.A. region. Technical publishing was flourishing, particularly in Mexico City, as evidenced by the greatly expanded title offerings of major publishers and the yearly expansion of domestic and export sales, a large percentage of the latter to the university bookstores. Publishers enjoyed this "golden era" until 1982 when growth

effectively stopped and many technical publishers found themselves in deep trouble with shrinkage in orders, delinquency in credit accounts, and rising barriers to export. Worsening economic conditions in the region and defensive measures taken by national governments to protect dollar reserves drastically reduced exports from Mexico to Central America and other countries.

The "golden era" was also a period of substantial increase in the access of economically disadvantaged youth to higher education. It is quite likely that the recent general economic downturn has effectively cut most of these young people out of the textbook market entirely as purchasing power has eroded against prices pegged to the U.S. dollar. Even the more affluent have reduced book purchases and professors have become increasingly reluctant to prescribe texts priced beyond the economic means of the large majority of students.

In short, the current problem is not one of supply but one of effective demand, compounded by barriers created by national governments to conserve scarce dollars. Barring an economic miracle, stagnation (if not further deterioration) in the book market is a likely prospect for the foreseeable future. Without intervention, the use of textbooks of U.S. origin which gained substantial ground in the late sixties and seventies is in danger of degeneration and worse, the return to stale lecture notes, fomenting the piracy of published U.S. works and facilitating increased Soviet penetration with free or nearly-free books.

B. Price of Books, Lack of Availability of Hard Currency, and Book Piracy

These three interrelated issues bear heavily upon the environment in which RTAC II will operate and must be kept in mind by the project design team, AID, and the selected implementing contractor in determining the technical feasibility of various intervention strategies.

> "The price of U.S. books and the shortage of dollars available with which to import books or buy reprint and translation rights at any price are credited by international professionals as the root causes of the book gap. The strong exchange value of the dollar against other currencies compounded the pricing problem for both books and rights."(1)

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(1) William M. Childs and Donald E. McNeil, eds., American Books Abroad: Toward A National Policy, (Helen Dwight Reid Educational Foundation, 1986), pp. 51-52.

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U.S. text books are expensive even for U.S. students, but their affordability is a severe problem for Third World Students and professionals. It is estimated that the cost of books keep approximately half of the students in Central America from purchasing textbooks even when they are assigned by a professor and that cost is a major factor in a professor's decision as to whether or not to assign a textbook, as s/he is aware of the students' difficulty in paying for them.

Startling export statistics from the Commerce Department (2) point out that while the value of U.S. book export sales increased 400 percent in the 1973-83 decade, units sold increased by only 25 percent in the same period. In addition, while foreign buyers spent $641.3 million to acquire American books in 1983, and $642.8 million in 1984, they received 45 million fewer copies in the latter year for their money. Not all of the difference is accounted for by pricing, of course. Some of this discrepancy is accounted for by selection. Developing countries, with a limited amount of hard currency available, must set priorities. Often books are seen as luxury items and dollars need to be saved for purchasing the necessities of life. Scarce dollars are saved for the badly needed, more expensive medical, technical, and scientific-type books. Further, 84 percent of the U.S. export sales went to 16 developed countries and the Philippines. Only 16% of U.S. book export sales went to developing countries. Given the increased literacy rate in the developing world during that time, it would indicate that the gap between book supply and demand is enormous in the Third World.

The actual process of book pricing by publishers and dealers is not as straightforward as one might think. As in many industries, the pricing policies of book producers and sellers are rooted in conventions of long standing. These may vary a bit here and there to meet competition or other market conditions, but in broad outline they are much the same. It might come as a surprise to some that the cost of paper, printing and binding represents only a fraction of the retail price of a book. Thus the notion that sale in paper back as opposed to hard cover should drastically reduce retail price is a fiction. The principal determinant of price is length of print run. Reasons for this will be treated later.

There is yet another factor which affects pricing policy but is not cost-related per se. A book is a unique intellectual-commerical property. As such, it takes on a proprietary character and cannot be treated as a commodity, i.e. not necessarily as having a high price elasticity. The work of a

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(2) Bureau of the Census, Department of Commerce, in the annual FT 446, "U.S. Exports: Schedule B, Commodity by Country".

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renowned expert can command a substantially higher price than a work of approximately the same intrinsic merit and size, authored by a lesser light. In this connection it should be pointed out that best-selling works account for but a small part of most publishers' lists. They account, however, for a disproportionate share of revenue. As such, they make possible the publication of valuable works less in demand and offset losses from those that just did not make it in the market place. The cost elements of a translated books are exactly the same as those for the original book in English except that the costs of translation and technical review must be added. Also, a book translated into Spanish tends to be 10-15% longer than the English language original because of the "verbosity coefficient" of Spanish vis-a-vis English.

The crucial role of print run size becomes clear when fixed costs are considered. These are the costs that must be incurred to produce a given book, whether 10 copies or 100,000 copies are printed. The following items are those normally treated as such:

a. Translation
b. Technical review
c. Copy editing
d. Type setting
e. Photo offset negative production
f. Printing plate "burning"*
g. Press make-ready (plate installation, paper set up, inking, color mixing, trial run press time and paper waste)*

Data recently provided on a confidential basis by a U. S publisher operating in Mexico illustrate the magnitude of these costs in comparison with variable costs--paper, printing and binding. The data were for an 800-page book. Items a. through e. above totaled $13.40 per book-page or $12,120 for the entire book. For a 12,000-copy print run, paper, printing and binding costs totaled $.72 per copy or $8,640. Thus the total production cost was $20,640 yielding a cost per copy of $1.72. A similar book of approximately the same number of pages printed out in an edition of 5100 copies costed out at $3.72 per copy.

The same publisher who provided the data stated that a first edition of less than 3000 copies was generally considered prohibitive from a cost standpoint since it would price the book out of the market at retail. Talks with job printers confirm that photo-offset printing in print runs lower than 3,000 copies are marginally economical and that unit costs for 500 or so copies approximate those for photocopier printing (xeroxing).

* Often lumped in with paper, printing and binding costs which vary with print run size.

The foregoing provides a backdrop for the treatment of pricing policy. As mentioned at the outset, rather standardized conventions prevail, although at least one is beginning to change in response to the book market realities of Latin America. The standard practice is to set the catalog list price at a multiple of production costs in the range or four to five. Dealers get a discount off list price in the 30-45 % range with 40% as the norm. Given general economic conditions in the region, dealer adherence to retail at list price is probably honored more often in the breach than in the keeping.

Traditionally, Latin American publishers have tried to recover production costs from the sale of the first printing. Since the list price is arrived at by use of a multiplier, a relatively small change in the treatment of production costs could have a significant effect on price to the retail customer. At least one enlightened publisher has opted to amortize costs over three years in order to bring down the retail price of a given book.

Offhand, the use of arbitrary multipliers in arriving at list price and arbitrary discounts to distributors might appear to lead inevitably to exhorbitant pricing to the buyer at the end of the chain. Firm data to support or negate this proposition are hard to come by as they tend to be closely held by publishers and undoubtedly vary widely with the size and operational efficiency of a given publisher. Even a partial listing of the non-production cost elements suggest, however, that the margin for over-pricing is probably narrow. The more important non-production costs are: promotion, distribution, working capital, taxes, editorial direction, administrative overhead, allowance for unsuccessful book titles, credit losses, exchange losses, and royalties.

In addition to the vagueries of the book pricing mechanism of the publishers, it is expensive for Central American bookstores to import U.S. origin books either from the U.S. or its Mexico-based affiliates. There is a high markup of U.S. list prices by many exporters, local importers, and booksellers, making the ultimate cost to the consumer prohibitively high. Some of this markup is justified and necessary to cover the costs of freight and import duties. Importers must factor currency fluctuations into their prices, as often the exchange rate will have decreased to the importers' disadvantage between the time an importer receives books and the time payment in dollars is due. The Exchange Rate Chart which follows illustrates the effect devaluation has had in the region. Further, most importers and bookstores work on borrowed capital, making credit costs another factor in raising prices. All of these factors make the cost of U.S. origin books prohibitively high for the end user, thereby discouraging textbook adoption by professors, and encouraging both piracy and the purchase of pirated books by the bookstores, so that demand can be met at affordable prices.

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Exchange Rates Chart

	1980	1985	1986
Mexico (pesos)	$1 = 23.12	$1 = 297.71	$1 = 700.00
Guatemala (quetzals)	$1 = 1.30	$1 = 2.850	$1 = 2.85
Honduras (lempiras)	$1 = 2.00	$1 = 2.000	$1 = 2.00
El Salvador (colones)	$1 = 2.50	$1 = 4.850	$1 = 5.00
Costa Rica (colones)	$1 = 11.60	$1 = 53.15	$1 = 54.50

The problems of price and lack of availability of hard currency are clearly intertwined, with the result that access to U.S. books by students, professionals and opinion leaders in Third World countries becomes a serious problem. This problem is even more crucial in light of the goals of RTAC II, to counter the Soviet influence in Central America. As noted in a recent study,

> "...there seems little doubt, however, that in developing countries where a lack of hard currency forces a reduction in book imports, ideological objectives have first priority. Neither currency exchange problems nor lack of local buying power keep books away from Third World bookstores and book fairs -- often well-bound hardcover books, at subsidized low prices that students and the working class can afford."1

It was learned during the field data collection process and other research for the development of the PP that book piracy, the unauthorized publication of copyright-protected material for commercial gain, is a serious and rampant problem affecting the publishing industry in Latin and Central America and one that flourishes mainly because of the pricing policies and problems with the availability of hard currency just discussed. It exists on two levels which affect the university market, the primary target for RTAC II: (1) Due to the high cost of books and the lack of availability of a single text which covers a course's content, it is a general practice for students to purchase copies of sections of several textbooks made available by bookstores, professors, or universities . Sometimes entire books are copied (sometimes retyped and mimeographed); (2) On a more sophisticated level, a book piracy industry has developed within certain countries. Books can be copied using new, inexpensive technology and sold to bookstores for much lower prices than by the legitimate industry, thereby undercutting the market for the publishers who own the legitimate rights to the book. The major identified piracy states include Singapore, Korea, Taiwan, India, Indonesia, Iran, Malaysia, the Philippines, Nigeria, and of most concern to Latin America, the Dominican Republic, and as still minor lights, El Salvador and Peru.

The magnitude of this problem and its effect on the legimate publishing industry is enormous. The U.K. Book Development Council estimates the value of pirated English-language books at $1 billion per year, and 75 percent of that loss is believed to

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1American Books Abroad: Toward A National Policy, edited by William M. Childs and Donald E. McNeil, The Helen Dwight Reid Educational Foundation, 1986, pp. 51-52.

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be borne by American copyright holders, their publishers, and their legitimate foreign licensees. Some observers rationalize that although the legitimate publishing industry is harmed, at least students and others in the developing world are able to obtain books at more affordable prices as a result of this piracy. This attitude is both inaccurate and short-sighted. As noted in a recent study conducted by the Helen Dwight Reid Foundation:

> "It [book piracy] is a lucrative profit-making enterprise as well, despite the efforts of some to characterize it as a 'Robin Hood' operation, caring for the academic needs of poor students and the demands for low-priced editions of an expanding, newly literate audience with very limited incomes. Whatever may be said about the very real need for legitimate low-priced editions of American books, it should be stressed that the price of pirated editions is low because the pirate has photo offset technology on his side; he has none of the editorial costs of the publisher from whom he steals; he pays nothing to the individual(s) whose creativity produced the work; he profits from the promotion of the legitimate version of the book. Yet, there is little evidence that he relates his prices to the market in the manner of legitimate publishers. For a popular book, the pirate's price may be only slightly less than that of the original foreign edition and, in certain rare instances, may be even higher. In sum, as one Third World publisher observed, 'the problems of distributing pirated works point to people with considerable business acumen, capital, and international connections, not the bookstore with a multilith who will produce a single copy of a book for you at a penny per page.' They are not 'Robin Hoods.' In fact, book pirates work with a far better profit margin than the original publishers, and could afford to sell at much lower prices than they do."(1)

This practice has a deleterious affect not just on the U.S. publishers which are often the owners of the rights to the book, but on their Third World counterparts, the authors, booksellers, and publishers as well.

> "If the bookseller imports a book at legitimate prices, or if the publisher legitimately acquires rights to foreign books for local publication, they find themselves unable to compete with pirated products that appear locally, or are imported from some of the major identified piracy states.... The development in a country of a domestic community of writers, poets, and intellectuals also suffers, as legitimate publishers of domestic writings cannot compete with the prices of pirated foreign books."(2)

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(1) William M. Childs and Donald E. McNeil, eds., American Books Abroad: Toward A National Policy, (The Helen Dwight Reid Educational Foundation, 1986), pp. 27-28.

(2) Ibid., p. 28.

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Due to the vagueries and complexities of international copyright law, attempting to solve this problem through litigation is expensive, time-consuming and not very fruitful. The countries which house the worst offenders are often not very sympathetic to the problem and have very little incentive to end this lucrative industry. The RTAC II program, by lowering the cost of books and dealing only with legitimate publishers, will help to offset the impact of these book pirates.

Book piracy is further stimulated by the lack of American dollars for imports in most developing countries, the strong value of the dollar, and the high original retail price of American books. In turn, the impact of the book pirates upon the legitimate industry exacerbates the problems they already face with the economy.

These interdependent problems of the price of books and hard currency availability, accounting for much of the success of book piracy, are not problems that can be raised and solved in this PP or any other document. They are the result of complex international monetary and economic realities. It is not under the purview of RTAC II to solve all of these problems, however, it is important to raise and discuss them here, as RTAC II will be operating in an environment very much affected by these issues.

C. Other Donor Spanish-language Book Programs in the Region.

As mentioned in the Project Rationale section of this PP (Section I), there are two other significant sponsors of Spanish-language book programs in the region: (1) U.S. Information Agency (USIA) and (2) Panamerican Health Organization (PAHO). RTAC I enjoyed excellent relations with both, although PAHO's health sciences textbook program was not fully operational when RTAC I was phased out. Plans for an RTAC II have been discussed with appropriate staff of these organizations. Given the dimensions of the "book gap" and the need for action on a broad front, all reacted positively to AID's revived interest in book program sponsorship. Neither foresaw any problems of coordination. Program descriptions and potential relationships with each follow.

1. USIA/USIS--Central American Book Initiative (CABI)

Unlike AID, which abandoned the book front in the mid-seventies, USIA continued its Latin American Book Program albeit at reduced funding levels. In response to recommendations of the Kissinger Commission, USIA embarked last year on a stepped-up effort, the "Central American Book Initiative" (CABI). Essentially an expansion of USIA's book presentation program, CABI broadens the range of book offerings and recipient eligibility. At the program's start, the book division of USIA put together a catalogue of books available through Mexican publishers (usually U.S. affiliates) which was distributed to Central American educational institutions and libraries. Most books are in Spanish, many are technical and almost all are aimed at

university-level audiences. Institutions order selected books through the USIA book office in Mexico City. A limit of three copies per title is set so that the free books do not interfere with the markets of the local bookstores. Each participating country (Panama, Guatemala, El Salvador, Costa Rica, Honduras, Belize, Nicaragua, and Dominican Republic) has a set budget up to which amount books can be ordered. This initiative is funded at $600,000 in FY 1986 with probable funding at the same level in FY 1987.

In discussions with the USIA staff, the need for frequent exchange of information on editorial plans and in-country distribution schemes was emphasized, in order to avoid duplication of effort regarding both selection and distribution of books. There is precedent for this kind of cooperation, as during RTAC I an agreement was reached between USIA and USAID delineating the appropriate fields of interest of each agency for book publishing programs in Latin America. A copy of that agreement (dated 1963) follows. The areas defined twenty-five years ago are, for the most part, still valid today for guidance during RTAC II. It is recognized that a formal means of coordination might become necessary when RTAC II becomes operational.

2. Panamerican Health Organization (PAHO). In the early seventies PAHO initiated a major effort to alleviate the shortage of medical textbooks in Spanish then available to students at reasonable prices. Later, a parallel program aimed at professional and sub-professional health workers, was added. Funded by "soft" loans from the Interamerican Development Bank ($2 million in 1971 and $5 million in 1979), these programs, supplemented by substantial on-going subsidies from PAHO, attempted to operate on the basis of recovering the full costs of book acquisition plus a small percentage for administration. Medical texts (mostly translations of U.S. works) are purchased from commercial publishers at favorable discounts. The texts are placed on consignment with medical school faculties. Full cost recovery worked fairly well until 1984 when currency devaluation losses became significant. Last year exchange losses amounted to $150,000 on gross sales of $2.5 million. Publications for health workers are sold directly through PAHO field offices. Given PAHO's substantial coverage of the medical/health sciences, RTAC II would follow a highly selective course in order to supplement rather than duplicate PAHO's activities.

CABI and PAHO are popular programs and have proven there currently exists a genuine demand for up-to-date, technical books in Spanish from the United States. RTAC II will expand upon these book programs as its textbook program will also strengthen the participating Central American institutions through technical assistance and training and provide other information dissemination programs in the areas of pamphlets/booklets, the brokering of U.S. information services, and a book procurement service.

UNITED STATES INFORMATION AGENCY

AGENCY FOR INTERNATIONAL DEVELOPMENT

AGREEMENT --

(Publishing)

FIELDS OF INTEREST FOR BOOK PROGRAMS IN LATIN AMERICA

The United States Information Agency and the Agency for International Development (Latin American Bureau), in the interest of minimizing the possibility of duplication of effort, and of assuring more effective planning and execution of their respective book programs in Latin America, agree to the statement of fields of interest set forth in the Attachment. This Agreement is intended to guide officials of both agencies charged with carrying out book programs in Latin America, and the firms and institutions (both U. S. and foreign) participating in these programs. Since the reading audience in Latin America has its own special characteristics, this Agreement is not intended to serve as a definitive guide in those other geographic areas in which USIA and AID have active book programs.

In drafting this Agreement USIA and AID have looked closely at their primary missions as stated below:

1. The primary mission of the USIA is to further the achievement of American international objectives by reporting and interpreting to the peoples of the world the foreign policies and the political, social, cultural and scientific accomplishments of the United States.

   The primary mission of the AID is to strengthen the security of the United States and the Free World by assisting other countries in their economic, institutional and social development.

The division of labor described in the Attachment flows largely from the inherent differences in the missions of the two Agencies. Accordingly, the fields of USIA are heavily "ideological"; those of AID, heavily "how-to-do-it" or principles underlying how-to-do-it. Thus support of text and professional level books in science, engineering, agriculture, medicine, and public health falls to AID but the support of books whose primary purpose is reporting and interpreting, in lay terms, U. S. accomplishments in those fields falls to USIA. The bulk of text and professional level books on economics fall within the province of AID; exceptions: books clearly ideological such as those comparing the economic systems of the United States and the Soviet Union. The same applies to books on education; those which deal with the principles and techniques of education are more properly sponsored by AID; those

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which deal with the philosophy of education or comparisons between U. S. and other systems, are more properly the objects of USIA support. The foregoing examples demonstrate the rationale underlying the breakdown in the Attachment.

Both USIS and AID are mindful that, regardless of how carefully lines of demarcation are drawn, some book titles inevitably will fall within "gray" areas, thus requiring negotiation. Given the excellent cooperation prevailing between USIA and AID, at all levels, negotiations over occasional titles should present no difficulties. Both Agencies are confident that adherence to this Agreement will reduce the number of "negotiated" titles to less than 10% of the total.

Attachment

9/10/63

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UNITED STATES INFORMATION AGENCY

AGENCY FOR INTERNATIONAL DEVELOPMENT

AGREEMENT

FIELDS OF INTEREST FOR BOOK PROGRAMS IN LATIN AMERICA

FIELD OF INTEREST	USIA	AID
Anti-Communism	Emphasis on ideological battle between free world and Communism	Methods of education as a [illegible] to achieve freedom and take part in democratic processes.
Business Administration, including Industrial Management and Labor Relations.	Books to stress industrial and free enterprise achievements of U. S. in relation to historical and social developments.	Text material, stressing the professional and educational aspects.
Economics	Books to stress ideological aspect of U. S. economic writing. Books in economics for the lay reader.	Emphasis on textbooks and professional level books stressing economic and socia development.
Education	Stressing books dealing with aims, philosophy of education, comparative education, e.g. comparing U. S. and other systems	Methods and materials. Educational psychology. Educational administration. Audio-visual aids.
Humanities—Art, Literature, Philosophy, Music.	Emphasis on U. S. achievements and cultural aims.	

FIELD OF INTEREST	USIA	AID
Political Science and U. S. History.	Emphasis on U. S. government, democratic ideology, U. S. foreign policy aims.	
Public Administration	Only to stress the relationship of sound administration to the democratic process.	Emphasis on methodology, techniques and education development. Professional books.
Physical Sciences, including Mathematics and Engineering. Natural Sciences including Agriculture.	To stress U. S. scientific achievements.	All textbooks, visual aids, dealing with educational aspects of science, vocational material. Stress on applied science. Professional books in these fields.
Psychology, Sociology	Ideological books, stressing U. S. contributions to peaceful processes; i.e., race relations.	Textbooks, with emphasis on methodology, "practical" applications, i.e. social work. Professional books.
Biological Sciences	To stress U. S. scientific achievements.	Textbooks, visual aids, educational and vocational aspects. Professional books.
Books for Young People	Books, depicting U. S. history and institutions; books in all other areas above written for young people.	Books primarily designed as textbooks at elementary and secondary level.

(2) Resolution of Design Issues Raised in the PID. Four issues raised by the PID are being addressed in this section: (A) the adoption of textbooks by professors; (B) the willingness of publishers and bookstores to cooperate with the project; (C) the willingness of AID missions to fund a PSC for in-country distribution of materials; and (D) whether to publish the books in Central America or elsewhere in Latin America.

A. The Adoption of Textbooks by Professors. At the beginning of RTAC I there was a great reluctance on the part of university professors to assign texts throughout Latin America, however, by the end of RTAC I it was estimated that the number of professors in technical areas assigning texts had risen sharply, to nearly two-thirds. In the intervening years between 1977 and the present, textbook adoption declined, principally due to the effects of the economic downturn in the early 1980s (recession, devaluation, reduction in disposable income, etc.) and also due to a decrease in the availability of quality, up-to-date texts in Spanish.

Recent field research has shown that approximately half of the professors of technical subjects that were interviewed in Central America currently assign a text for the classes that they teach. When a textbook is assigned for a class, about half the students purchase it. The other half doesn't purchase an assigned text because of the cost of the book -- they can't afford it -- and instead rely upon using library copies, sharing with other students, or purchasing mimeographed or photocopies of the texts or portions of the text.

Professors recognize that many of their students can not afford to purchase assigned texts and thus many do not assign them. The other major reason that about half of the professors of technical subjects do not assign texts is lack of availability of books that cover all of the material presented in a professor's class. Interviewed professors stated repeatedly that if books were both affordable and of sufficient quality they would readily assign a text.

This research underscores the importance of the goals RTAC II in general and points to some specific program components. To ensure maximum success of the project, the professors must be included in the title selection process as it will do no good to make books available that they do not feel are suitable and thus will not assign. The Contractor must also ensure in the agreements with the bookstores that the RTAC books will in fact be made available to the students at an affordable price so that RTAC II books do not just become part of someone's inventory and never reach the students.

B. The Willingness of Publishers and Bookstores to Cooperate with the Project. Field research indicated that the publishers and bookstores had fond memories of RTAC I and would relish the opportunity to again work with a similar project. "RTAC was one

of the best programs for Spanish-speaking America and for the publishing industry," said one large Mexican publisher. "Publishing houses that worked with the RTAC program progressed with their help, and universities, teachers and students all benefitted from lower prices and up-to-date technical textbooks. Publishing technology also increased," said another. "We would welcome an RTAC II," said a third.

The publishers have had a front seat view of the increasing influence of the Soviets in the publishing industry and have concern that their ties with the U.S. publishing industry are dwindling. As one publisher said, "The Russians are going to various publishing houses and subsidizing titles, just like RTAC. This is a very critical point for publishing American books in Spanish. If the economic situation continues to get worse, fewer and fewer publishing houses which used to buy rights to American titles will be able to afford to continue to do so -- that means there will be a lessening of U.S. influence in Mexico."

C. The Willingness of AID Missions to Fund a PSC for In-Country Distribution of Materials. Field research and cables received from the AID Missions in the five participating countries (Panama, Honduras, Guatemala, Costa Rica and El Salvador) indicate that they are enthusiastic about an RTAC II project. They all indicated a willingness and ability to fund a person under a Personal Services Contract to be responsibile for in-country distribution. Likewise, all felt that provision of office space for the PSC will present no financial or logistical problems. Provision of funding for establishment of bookstores would be decided on a case-by-case basis during project implementation.

D. Whether to Publish the Books in Central America or Elsewhere in Latin America. The established publishing capability in the region clearly lies in Mexico, and to some extent, Argentina, at the current time. A variety of contractual and technical approaches for publishing textbooks may be considered during project implementation. It is important at this stage in the project's development to discuss each of the possibilities, but equally important to not close the door on any of them prematurely or exclude other creative alternatives from consideration. These include:

1. Contracting with the original publisher of a book (usually a Mexican publisher or the Mexican affiliate of a U.S. publisher) to have copies of a book reprinted.

2. Attempting co-publishing, or the production of co-editions by both the original company and a Central American printer/publisher, as an experimental technique. This approach would strengthen the small publishing and printing capability that currently exists in Central America and help establish linkages for future cooperation. However, publishers have mixed feelings about giving away or selling some or any part of the

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rights in the process. Creative ways to establish and promote agreements beneficial to both parties will be explored during project implementation.

(3) Strategies to be Used in Project Implementation. There are two specific strategies in the implementation of RTAC II which are addressed in this PP: (A) the title selection process and (B) the subsidization of bookstores.

A. The Title Selection Process. Historically, because university professors did not routinely assign texts for their classes, the title selection process for RTAC I was supply-driven. Experts selected titles which were then promoted and marketed to professors. This title selection process is not appropriate for RTAC II, however, as the number of professors assigning texts has increased dramatically. It is estimated that by the end of RTAC I approximately 75 percent of professors assigned textbooks. This remained fairly stable until the economic problems hit in the early 1980s and textbook adoption declined substantially. As noted earlier, recent field research indicates that approximately half of the professors of technical subjects currently assign textbooks, with many of the remaining stating a willingness to do so should book prices decline and/or should one text which would cover their course content become available at an affordable price. Thus RTAC II will aim to fill this need.

Title selection shall be accomplished through initial and periodic market studies conducted by the Contractor. Interviews will be conducted with professors to determine what books they currently assign or would assign and, if applicable, what additional titles not currently available they feel need to be translated into Spanish. To supplement this information, Latin American and U.S. publishers will be interviewed to ascertain their recommendations. This information will then be taken back to the professors in an effort to increase their awareness of what is already available in their subject area.

Title selection determinations will then be made by the project staff based upon criteria that each title must meet, including:

- number of professors that will promise to assign the text (textbook must be required);
- class size;
- year in school of students expected to purchase textbook (giving books for students in years one through three priority); and
- percentage of students that typically purchase assigned texts.

All selections must be of U.S. origin and in no way detrimental

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to the cause of promoting U.S. and democratic values. Basic textbooks in the subject areas of engineering, basic sciences, computer science, business and public administration, agriculture, appropriate technology, etc. will be given priority. Books in the health sciences and medicine will be included on a highly selective basis in cooperation with PAHO. Books in the areas of political science, sociology, and economics will be discouraged, but considered on a case-by-case basis. In general, books that promote U.S. interests in the areas of art, literature, religion, anthropology and similar disciplines will not fall under the purview of RTAC II and will be left to other donors such as USIS.

The final title selction process will be subject to AID/W project monitoring staff approval. It is anticipated that this will not be managerially burdensome, as it will not be necessary for the Project Officer to become involved in the selection process or approval of individual titles. Rather, the Project Officer will have the opportunity to provide input during the development of the process and/or exercise a veto-type power on specific titles.

B. The Subsidization of Bookstores

Reducing the price of textbooks to university students ultimately depends upon some form of subsidy being given to either individuals (the students) or institutions (bookstores or publishers). Since the university bookstore has been selected as the preferred mechanism for distribution to end users, the subsidy for the proposed RTAC II project would be the provision of working capital to bookstores selected to participate in the project. Although one of the hallmarks of the current U.S. administration is to let market forces work to allocate goods and services, the economic situation has meant that the existing market forces are not functioning correctly. The provision of books, as a social and political good, justifies government intervention in this instance. Most often these will be existing or newly formed university bookstores, but sometimes they could be private bookstores. This subsidy will be in the form of U.S. dollar and/or local currency contributions from the missions and/or "in-kind" contributions in the form of textbooks from RTAC II. All of the possible permutations were used in the RTAC I era and this experience is available for RTAC II to draw on. The underlying idea is to purchase textbooks at the lowest possible price and bridge the gap between this price and that at which less affluent students would be capable of purchasing texts. The size of the subsidy would largely determine how many potential buyers could be brought within purchasing range.

The flow of resources would be to the bookstores but the benefits would flow to the student buyers in the form of reduced book prices. According to stringent rules and conditions agreed upon at the outset, and included in a cooperating agreement between the RTAC II contractor and each participating bookstore, proceeds from the sale of books would be plowed back into the working capital of the bookstore for another round of procurement.

Careful attention will have to be given by the Contractor to terms and conditions written into agreements with bookstores and parent institutions, if applicable, so that responsible stewardship over resources invested in the bookstores can be exercised. Willingness on the part of the bookstore management and parent institutions to accept these provisions is a requirement for initial and continuing project participation. Necessary provisions include but are not limited to:

(1) Assurances that the price of the books would be set low enough that the students would be able to purchase them.

(2) Assurances against the diversion of RTAC II-generated funds for other purposes.

(3) Establishment of proper accounting procedures and management controls (for instance, when university bookstores are utilized, they should operate under an account completely separate from all other university funds).

(4) Frequent monitoring visits made by the mission PSC and RTAC II staff.

(5) Periodic reporting requirements.

In addition, training of bookstore managers and staff in project reporting and accounting procedures and the consequent upgrading of the skills of managers of participating bookstores will be part of each bookstore support effort. Provision is made for such training in both a workshop setting and on an individual basis in the RTAC II project.

It is recognized that if a bookstore were required to fund operating expenses out of income from sales, the price(s) to students would have to be raised accordingly in the range of 10-15%. Also to be considered is the realities of retail sale in local currency and later conversion to U.S. dollar for purchase of more books in the international market. Given the outlook for continuing erosion of currencies in Central America against the U.S. dollar, a one-shot infusion of capital would help, but would not deal with the textbook problem over the long term. Thus, continuing support over several years, as the RTAC II project is designed, would be more in keeping with the urgency currently attached to the problem.

(4) Analysis of Institutional Opportunities and Constraints The implementation of RTAC II requires close cooperation with organizations in the region, in particular university and other bookstores, to distribute the textbooks to the target student groups. Long experience has shown that certain bookstores should be given priority in implementing the project (see University Bookstores Priority One Chart). Recent fact-finding missions in

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the region to prepare the project design have reconfirmed these bookstores' interest and willingness to cooperate with the RTAC program. There are a large number of Central American public and private universities which can participate in the project (see Central American Public and Private Universities Table).

Priority will be given to: 1) using existing university bookstores; 2) creating bookstores in areas where several universities could be served economically at one central point and 3) using existing private bookstores. The institutional strategy therefore will build on what exists, much of which was created during RTAC I, and strengthen existing university bookstores first. Where university bookstores do not exist, an assessment will be made as to whether a new bookstore should be created or whether an existing commercial bookstore can meet project criteria for distribution. In some cases, the creation of a central bookstore which can serve a number of universities in the same area would provide significant economies of scale and provide opportunities for pooling orders and increasing volume of sales (see University Bookstores Priority Two Chart). Commercial bookstores which are willing to convert to low markup and high volume operations called for in textbook distribution are also likely candidates to participate in the RTAC distribution network. The successful marketing and distribution of textbooks to the target student groups in the project requires active marketing with university professors and a proactive approach to potential student markets.

If new university bookstores are created, the university will have to participate actively in the management of the bookstores including assigning personnel and providing operating costs. Experience from RTAC I indicates that these arrangements are workable and successful. A large number of the bookstores currently operating throughout Latin America were established during the last RTAC project.

Initial assessments by the contractor will include selection with USAID mission personnel of target bookstores in each country to begin textbook distribution. Decisions will be made based on local capacity and possibility for long term sustainability of distribution beyond project life.

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UNIVERSITY BOOKSTORES

PRIORITY 1

University	Country	University Bookstore	Observations
Univ. Autonoma de San Carlos	Guatemala	Yes	Needs lots of help
Univ. Nacional Autonoma de Honduras	Honduras	Yes	Good
Univ. de Costa Rica	Costa Rica	Yes	Coop & potential basket case
Universidad de Panama	Panama	Yes	Good
Univ. Tecnica de Panama	Panama	Yes	Univ. of Panama extension. Good
Universidad Nacional de Heredia	Costa Rica	No	

UNIVERSITY BOOKSTORES

PRIORITY 2

Country	Observations
Guatemala	Private bookstore to serve multiple universities with a branch in Quetzaltenango.
El Salvador	Private bookstore to serve multiple universities with sales outlets in Sonsonato, Santa Ana, San Vicente, and San Miguel.
Costa Rica	Private bookstore or create university bookstore to serve Universidad Nacional de Heredia.
Panama	Minimal support to private bookstore at Universidad Santa Maria la Antigua.
Honduras	Help private bookstore in San Pedro Sula to serve Univ. de San Pedro Sula and branch of Univ. Nacional de Honduras or extend UNAH bookstore to serve USPS.

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CENTRAL AMERICAN PUBLIC AND PRIVATE UNIVERSITIES

NAME OF UNIVERSITY	STUDENTS	CITY	COUNTRY
Inst. Centroamericana Admin. Emp		San Jose	Costa Rica
Escuela Agricola Panamericana		Zamorono	Honduras
Escuela Superior de Agricultura			Honduras
Universidad Americana	30	San Salvador	El Salvador
Universidad Salvadorena Berry	47	San Salvador	El Salvador
Universidad Cristiana Asamblea	91	San Salvador	El Salvador
Inst Tec Admini y Negocios	100	San Jose	Costa Rica
Universidad Pedagogica de ES	119	San Salvador	El Salvador
National University of San Diego	120	San Jose	Costa Rica
Universidad Catolica de Occidente	177	Santa Ana	El Salvador
Universidad Autonoma de Santa Ana	186	Santa Ana	El Salvador
Universidad Santaneca de Ciencia	194	Santa Ana	El Salvador
Universidad Jose Cecilio delValle	200	Tegucigalpa	Honduras
Universidad Tecnica de Latinamerica	202	San Salvador	El Salvador
Universidad Gerardo Barrios	219	San Salvador	El Salvador
Universidad de Oriente	223	San Miquel	El Salvador
Universidad Occidental de ES	321	Santa Ana	El Salvador
Universidad Isaac Newton	402	San Salvador	El Salvador
Universidad de Sonsonate	414	Sonsonate	El Salvador
Universidad Salvadorena	489	San Salvador	El Salvador
Universidad Leonardo da Vinci	714	San Salvador	El Salvador
Universidad Las Americas de ES	718	San Salvador	El Salvador
Universidad Nueva San Salvador	752	San Salvador	El Salvador
Universidad Alberto Masferrer	868	San Salvador	El Salvador
Universidad de San Pedro Sula	1100	San Pedro Sula	Honduras
Universidad del Valle	1181	Gautemala	Guatemala
Universidad Evangelica de ES	2038	San Salvador	El Salvador
Universidad Jose Matias Delgado	2193	San Salvador	El Salvador
Instituto Tecnologico de Costa Rica	2461	Cartago	Costa Rica
Universidad Alberto Einstein	2493	San Salvador	El Salvador
Universidad Francisco Gavidia	2739	San Salvador	El Salvador
Universidad Tecnologica	2814	San Salvador	El Salvador
Escuela Superior del Profesorado	3200	Tegucigalpa	Honduras
Universidad Modular Abierta	3333	San Salvador	El Salvador
Universidad Francisco Marroquin	3369	Guatemala	Guatemala
Universidad Mariano Galvez	4000	Guatemala	Guatemala
Universidad Sta Maria de la Antingua	5203	Panama	Panama
Universidad Politecnica de ES	5513	San Salvador	El Salvador
Universidad Centroamericana	6542	San Salvador	El Salvador
Universidad Estatal a la Distancia	7000	San Jose	Costa Rica
Universidad Tecnologica de Panama	7100	Panama	Panama
Universidad Rafael Landivar	7190	Guatemala	Guatemala
Universidad Autonoma de Central America	8655	San Jose	Costa Rica
Universidad Nacional de Heredia	12000	Heredia	Costa Rica
Universidad de El Salvador	19629	San Salvador	El Salvador
Universidad de Costa Rica	27597	San Jose	Costa Rica
Universidad Nacional de Honduras	31000	Tegucigalpa	Honduras
Universidad de Panama	31313	Panama	Panama
Universidad de San Carlos	36890	Guatemala	Guatemala

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2. Economic and Financial Analysis

RTAC II, with its dual political and developmental goals, will provide numerous benefits, some of which may be examined on a quantitative basis and others which are quite elusive but nonetheless equally or more valuable. The number of textbooks and pamphlets/booklets produced by the project can be counted. The number of actual users can be estimated. The number of USAIDs that use the book procurement service will be known, as will the number of information searches conducted for USAID missions and other approved organizations. The number of people trained and the number of workshops conducted can be counted. Cost-effectiveness indicators can be computed, and if benefits can be quantified, benefit/cost calculations can be made on an ex post basis.

None of these things, however, will begin to measure the value of more positive attitudes toward the United States in the strategic Central American region. What monetary value does one place on future Central American leaders having been trained with the help of RTAC-produced textbooks which contribute in a difficult-to-define way toward a pro-U.S., pro-democratic stance? What monetary value can be put on increasing USAID staff access to persons and institutions they may not otherwise have access to? How does one measure the goodwill generated by the outreach aspects of the RTAC pamphlet and booklet distribution program? Obviously these are unmeasurable benefits in a dollar spent/benefit received analysis. However, given the political goal of this project, success in these areas would be of great value to the foreign policy and positive image of the U.S. in the region.

A large number of potential primary beneficiaries (approximately 200,000 university students enrolled in technical faculties and/or departments targeted for this project: business and public administration, agriculture, engineering, health sciences, mathematics, industrial and vocational education, etc.) has been identified and the impressive track record of RTAC I proves that a substantial percentage can be reached successfully. Estimating the production of 100,000 books each year based upon projected funding levels, the $10 million plus (including the mission-provided PSC and office space) budget would be used to reach as many of the primary beneficiaries as possible. This does not purport that each and every student in the targeted population will actually purchase and use an RTAC II book(s). Some, obviously, will not be reached at all while others will use more than one or numerous RTAC II-produced books. As monitoring and evaluation data are collected, exact numbers of beneficiaries can be computed. In a worst case scenario, should even half the targeted population be reached (approximately 100,000), the per beneficiary cost for primary beneficiaries only would be approximately $100, an impressive ratio. The risk on investment is, consequently, very small.

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RTAC II would also have numerous secondary beneficiaries including the individuals and institutions (governments, libraries, bookstores, publishers, and other private sector distributors) which would also benefit from the textbook program in addition to the many beneficiaries of the pamphlet and booklet program, the book procurement service, and the expansion of on-line access to U.S. educational and technical information in each country. As one example, the Capitalization of Bookstores Chart, which follows, shows at current projected budget levels the financial impact over time of the RTAC II susidization of bookstores. The chart was prepared for illustrative purposes only, as the exact sales rates, currency conversion costs, price mark-up and other variables can only be estimated. However, the chart will serve to show the way in which the subsidization of bookstores will institutionalize the benefits of RTAC II, allow the capital to be reinvested, and thereby sustain the availability of affordable textbooks to university students well beyond the life of the project.

The total amount of project money spent specifically on books is $4,516,000.00. Projecting ten years after the end of the project, the amount of capital received and designated for reinvestment as a result of the project totals over $22 million, a five fold return on money spent.

Finally, there would be a large number of beneficiaries of the substantial amount of training and technical assistance to be provided by this human resources and institution-building feature of RTAC II. Although there is some double-counting here, the number and breadth of the secondary beneficiaries that RTAC II will reach is significant, making the actual per beneficiary cost a mere fraction of the $100 per university student cost computed earlier.

The benefit/cost calculations would, of course, change during project implementation should the funding level (and consequently, the number of outputs) change due to mission buy-ins or other reasons.

There are five alternative intervention options to the proposed RTAC II project design which were seriously considered and discarded for a variety of cost/benefit and administrative/management reasons. These options include:

1. Creation of New Technical Materials.

An alternative approach to the one proposed in the Project Paper is to create new technical materials in Spanish rather than purchasing ones that already exist in Spanish or translating ones that exist in English. This was not considered a cost effective strategy, however, and as currently proposed, RTAC II's two main program areas, the textbook program and the pamphlet and booklet program will be making available in Spanish materials which have already been developed. The creation of new materials is not

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Capitalization of Bookstores Chart

($000s)

	Year 1	2	3	4	5	6	7	8	9	10	11	12	13	14
	1700*	1320	1082	887	727	596	488	400	328	269	220	180	147	120
		1000	776	636	521	427	350	287	235	193	158	129	106	87
			1000	776	636	521	427	350	287	235	193	158	129	106
				816	633	519	425	348	285	234	192	157	129	106
TOTAL	1700	2320	2858	3115	2517	2063	1690	1385	1135	931	763	624	511	419

GRAND TOTAL $22,031

Assumptions: Year 1

15% mark-up on price.
20% loss -- books don't sell. Prices on remaining books are reduced 50% and all sell.
25% loss -- currency conversion loss.

Assumptions: Years 2 - 14

15% mark-up on price.
10% loss -- books don't sell. Prices on remaining books are reduced 50% and all sell.
25% loss -- currency conversion loss.

Years 1 and 2 funding are combined for calculating purposes since Year 1 money will be allocated at the end of the first fiscal year and actually spent in the second year.

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prominently included in the design of this project for two specific reasons:

(a) There currently exist excellent up-to-date (the U.S. publishes the most current technical information in the world and frequent revision is already a component of publishers' quality control standards) educational, training, and outreach materials (many already in Spanish and some of which would need to be translated and adapted) in the technical areas required by this project, making the generation of new original materials superfluous and unnecessary.

(b) The creation of new materials, whether books or pamphlets and booklets, is an extremely expensive proposition. With rare exception, U.S. publishers have already published what they feel is both of high quality and marketable. New books could, of course, be commissioned for the price of at least one year's annual salary for a person of adequate stature plus editing costs. In addition to these substantial costs, the time of gestation is lengthy (years) compared to the time necessary to translate a completed work.

It was therefore concluded that the complexion of the RTAC II project would change drastically and its outputs decrease substantially (with little or no improvement in quality) if it chose to produce original materials.

2. Development of a Publishing Industry in Central America.

A second alternative strategy for accomplishing the objectives of the project would be the creation of stronger local publishing capabilities in each of the five target countries instead of the use of publishing facilities already established elsewhere in Latin America (notably Mexico). This model would entail an investment of at least $10 million per country and there would not be an internal market sufficiently large to sustain growth and expansion after the RTAC II project ended. Further, it is unlikely that U.S. publishers would be eager to bestow valuable Spanish-language rights on Central American publishers. This strategy was thus discarded as too expensive an undertaking to begin with, with little or no potential future anticipated for a Central American international publishing industry. This is not to be interpreted, however, as excluding co-publishing experiments from the purview of this project. Some co-publishing would have the potential benefit of strengthening and upgrading the small existing publishing/printing capability in the Central American countries.

Creating a publishing industry in Central America, however, will not be a primary thrust of RTAC II. A strength of RTAC I was that its resources did not go into the creation of new project-specific institutions and capabilities, but into building upon

those already in existence in the private sector. The institution-building component of RTAC II will follow this same model to preserve project resources and to maximize the likelihood of growth and maintenance of the institutions after RTAC II is terminated.

3. A Book Giveaway Program.

Books could simply be given to students through an arrangement with cooperating professors and universities. Based on an annual output of approximately 100,000 books per year (given the current project funding level) during the middle years of the project, gratis distribution to the 200,000 targeted students would average one-half book per student per year. Further, the books would reach the students at the expense of private enterprise, the bookstores. This was therefore considered an unacceptable alternative, as it is felt that RTAC II's scarce resources should be directed to an intervention scheme which has high leverage potential and the continual reinvestment of increased capital by the bookstores. Bookstores cannot compete with a giveaway program. Establishment not only of a market, but of a marketing capability for the bookstores will leave them with the institutional capacity to ensure availability of U.S. origin materials after the life of project rather than requiring the U.S. to subsidize textbooks perpetually.

4. A Scrip (Voucher) System for Students.

A variation of the giveaway program, a scrip system, would heavily subsidize the cost of books to the students by using a system of vouchers which could be redeemed for or applied towards the cost of certain books. Scrip schemes aimed at assisting the neediest of students were tried in various developing countries outside the Latin American region in the sixties. They all encountered the same difficulties -- cumbersome administration and lack of effective means to prevent emergence of a black market and other abuses. This option was thus discarded.

5. University Printing of Manuscripts.

Yet another option would be to contract with the universities in each country to print existing manuscripts. This option was rejected as in most countries adequately edited manuscripts are not available, or if available are of poor quality or pirated. Further, this type of material is country-specific, as people within a given country feel a great pride concerning what is produced there and would not be open to using manuscripts produced elsewhere. In Costa Rica, what is produced would be useful only there, etc. Thus the project would need to have a completely different set of manuscripts for each country, resulting in a massive duplication of effort.

An important feature of RTAC II, outlined in the Monitoring and Evaluation section of this document (Section IV), is that as part of the Management Information System (MIS) developed for this

project, data will be collected which will measure the total number of users and beneficiaries. This kind of data, some collected on an ongoing basis, and some collected periodically, will yield significant information on the benefits, both planned and unplanned, of this large-scale information dissemination project. This information may then easily and regularly be used to estimate benefit/cost ratios and/or cost-effectiveness indicators of the quantifiable benefits of the project as it progresses. Some of the non-quantifiable (political) benefits will be looked at as part of the scheduled evaluations (amount of increase in use of U.S. origin materials by students in selected universities, textbook adoption patterns, etc.), however, some, such as attitudes toward democracy and the U.S. may not be fully realized or measurable for many years, but are nonetheless important in our overall foreign assistance program.

Methods of Implementation and Financing

Method of Implementation	Method of Financing	Approx Amount
Prime Contract -8(a)	Direct L/Com	4,734
TA Sub-Contract	Sub-Contract	500
Ad Hoc Procurement Service*1	Sub-Contract	0
In-Country Distrib	Sub-Contract	300
Textbook Procurement*2	Direct L/Com	4,516
PSC - In-Country*3	Mission Local Currency Contract	150
PASA/RSSA*4 (USIA)	Direct Pay	750

*1 Non-funded agreement reached with Mexican book procurement service (and if books are to be procured in other countries of Latin America, then with book procurement services in each countries where materials will be purchased) to obtain at a set discount rate for Missions.

*2 Primer Contractor will procure textbooks. Funding for textbooks will be allocated in such a way that only a fee is paid to Contractor on total amount. Contract Office working out details.

*3 USAIDs in Central America (except Panama) will hire under PSC a host country national with local currency to coordinate in-country aspects of RTAC II project. This amount is non-add to amount in Project.

*4 AID/W will sign a RSSA/PASA with USIA to use the USIS

Regional Service Center in Mexico City to print the non-commercial pamphlets which RTAC II will provide to USAIDs. RSC printing costs are about 50% less than those of comparable commercial printing facilities in Mexico.

No funding is included for audit within the Project Paper. The firm selected to be contractor will have established audit procedures with an outside auditing firm covered by their indirect cost rates. AID/W will receive copies of all audit statements.

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3. Social Soundness Analysis

a. Sociocultural Feasability

Although RTAC II is a regional project, the specific sociocultural context of the activities planned will need to be evaluated on a country by country basis. All five participating countries place a great deal of emphasis on education and are very interested in improvements in their educational systems. Specifically, the AID country education profiles state:

Guatemala. Demands for university education and technical training are constantly increasing due to population growth and an awareness that education is the key to better jobs, higher income, and in some cases, the opportunity to work outside of the country. Financial constraints have caused many students to abandon their plans to study abroad because of the devaluation of the Guatemalan quetzal (which used to be on par with the dollar, and is now valued at almost three quetzals to the dollar).

Honduras. The National Autonomous University of Honduras (UNAH) controls all post-secondary institutions. The Honduran government is emphasizing education; budget expenditures in education increased 33 percent in 1985, when 16 percent of the national budget was dedicated to education.

Costa Rica. Costa Rica enjoys a strong tradition of education and great value is placed on education as a means of improving the quality of life. About one third of the national budget is given to education, however, a shaky economy and an inflationary situation have forced the government to cut back much more than it would on education expenditures.

Panama. Panama has made intense efforts to improve its educational system in order to better serve social and economic needs. Most Panamanian university students work and study part-time.

El Salvador. El Salvador has been racked by war and its effects and seeks to restore its educational system to pre-conflict levels, with availability of textbooks and teacher training being among the priorities.

Other assumptions about the appropriateness of the project for the region can be made based on information from RTAC I and recent field research. As mentioned earlier (Technical Analysis, Annex E, 1), the need for textbooks and technical materials has not decreased since RTAC I ended, and professors are much more likely to assign a textbook today than they were at the inception of RTAC I. Although by the end of RTAC I (1977), as a direct result of the project, approximately two-thirds of professors in the technical areas assigned textbooks this number decreased in the early 1980s due to the adverse effects of the economic situation in Central America (inflation, devaluation, decrease in disposable income, etc.). Current field research indicates that about half of the professors in the technical areas assign

textbooks with the price of textbooks and the lack of availability of books deterring the rest. Textbook assignment by professors is expected to increase again during RTAC II with the upswing in the availability of affordable textbooks. Professors not currently assigning textbooks have indicated a willingness to adopt them if quality texts are made available at affordable prices. Enrollment in universities has increased, and is expected to increase further, and the demand for Spanish language materials, either produced in Latin America or translated in the U.S., has grown.

Teaching materials must be kept up-to-date to be relevant and few current U.S. textbooks or audio-visual materials are available in Spanish at an affordable price. Latin American publishers have continued to publish texts but are being undercut by translated materials from the Soviet Union as well as pirated books. The need for affordable textbooks and materials, particularly of U.S. origin, at all levels of the education system in the region is as great now as it was in the 1960s and 1970s, and field research indicates the publishers would relish the opportunity to work with RTAC II. They see it as an opportunity to strengthen and expand their markets at a crucial time when they are competing with book piracy, heavily subsidized Soviet books, and an unstable economy.

Politically, the growing presense in the area of low-cost Soviet technical material in Spanish intensifies the urgency of an RTAC II Program. As stated by the Kissinger Commission in recognizing the need to increase U.S. presence and the positive image of the U.S. on university campuses: "A major shortcoming of past U.S. educational assistance has been insufficient support for Central American universities and university students. By contrast, higher education is increasingly a major focus of the efforts of the Soviet Union and Cuba in the region."

Materials to be distributed through the project will be in Spanish and either will have been or will be translated in the U.S. or in Latin America by professionals who are sensitive to the content of the materials and to the need to adapt the content with relevant examples that are not culture-bound. Major publishing houses and distributors exist in Latin America which can be used as the main focal points for the project. The bulk of any necessary translating will therefore be left in the hands of individuals in Latin America who are experts in the field. Editorial review will be contracted for all newly translated project materials to ensure quality translation and cultural adaptability. This will mitigate any questions of socio-cultural acceptability which arise when information is distributed across cultural and national boundaries.

b. Diffusion of Innovation

RTAC II is a regional information dissemination project and as such brings with it a certain elusive quality in terms of output and spread effect measurement. The mere physical production of outputs such as books and pamphlets does not ensure project success, as a book not read and used might as well not have been published. An interesting model for thinking about the various ways that information can be used was developed in a National Technical Information Service evaluation study conducted for AID(1). It is particularly applicable as the study was conducted in Latin America. The task was to determine how if at all the technical information ordered from NTIS was used by the recipients.

A Utilization Hierarchy chart, which follows, was developed to encompass the range of things that could happen to any technical information document, whether book, article, or pamphlet. At the first and lowest level, the information is received but not read. At the second level, it is read but with no specific use or purpose in mind. At the third level, the information is read with a use or purpose in mind or is stored or made available to interested parties, such as in a reference center or library. At levels one, two and three, the information is considered referential, in that it serves as a reference or to broaden one or several people's knowledge, but does not serve an operational purpose.

At the fourth, fifth, sixth, and seventh levels, the information is acted upon and is either purposively transferred or serves as a basis for the development or implementation of a specific purpose, plan or project. At these levels, the information becomes applicative. These latter four levels on the Utilization Hierarchy are intended to describe and distinguish between the different uses of applied information. At the fourth level, the information is read and transferred to other people through courses, as part of didactic material, or through the production of papers, reports, talks or speeches. Most day-to-day student or professional use would fall into this category. Level five is for information that is used in the determination of technical policies or standards at the national, industrial or company level. Level six is intended to include applied information uses such as the development of a research project or the conduct of a research experiment, a strong possibility for advanced university students. Level seven is meant to include operational, hands-on applications of any sort, such as when someone uses the information to manufacture, build or create something.

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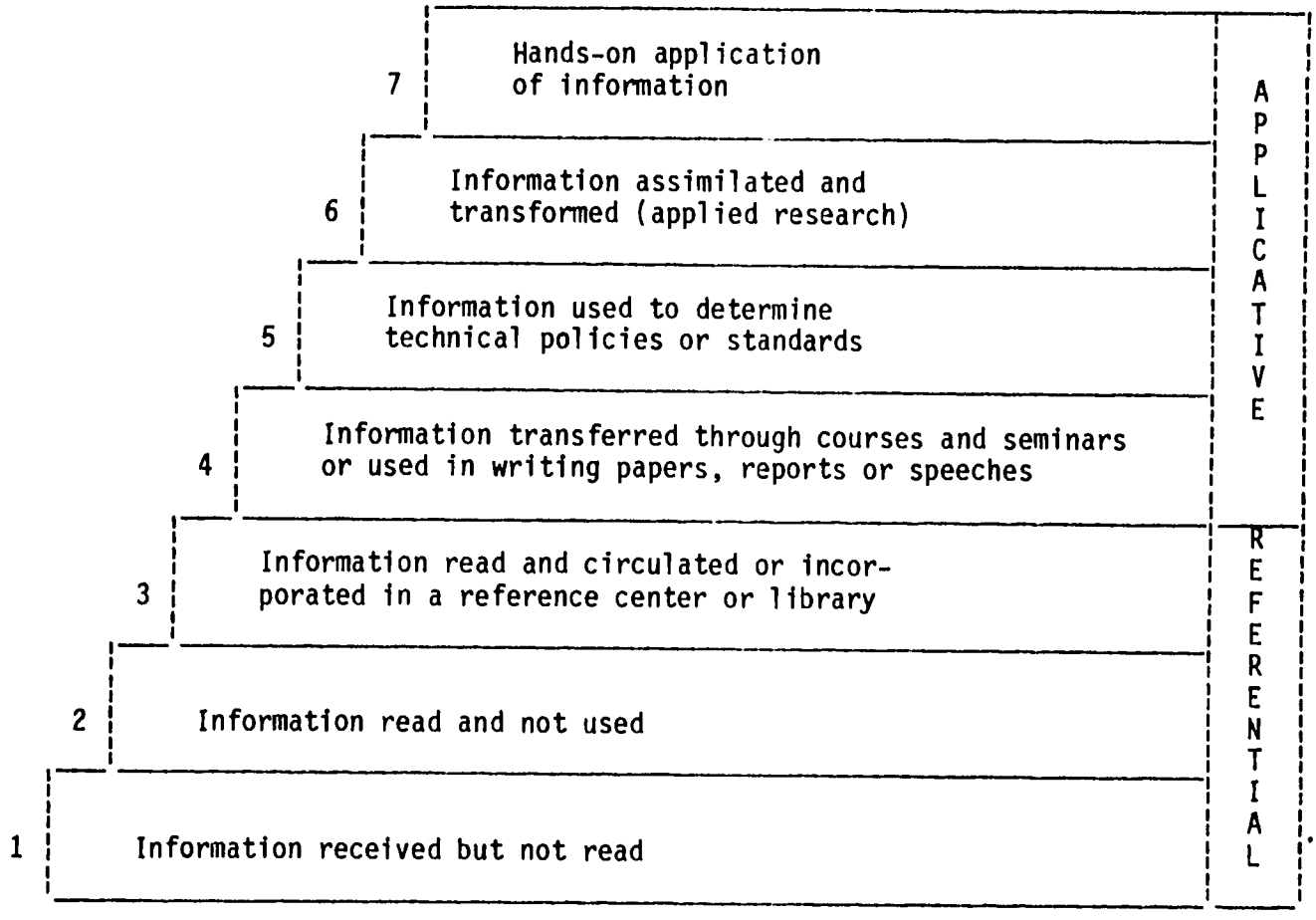
(1) "An Evaluation of Scientific and Technical Information Distribution and Use in Latin America: The NTIS Program in Five Selected Countries," conducted by Marina Fanning, under AID Contract No. LAC-0044-C-00-1048-00, 1982.

UTILIZATION HIERARCHY CHART



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This provides a useful model to use in thinking about the utility of the information produced by RTAC II as well as the "spread effect" likely to result from a project of this nature. In the NTIS evaluation mentioned, only 2 percent of the people interviewed had received but not read the document they ordered. Eighty-one percent of the respondents used the documents for applicative purposes, and 56 percent used it for either applied research or in a hands-on application. This indicates a high degree of motivation among the document purchasers. It makes sense that if they had the interest to order it and pay for it, they would at least read it. But that the information was actually applied in some fashion in such a high percentage of the cases (81%) and the specific uses to which it was applied, demonstrated the significant actual and potential contribution of the NTIS information towards technological capacity building, and, therefore, towards development in Latin America.

It is reasonable to believe the university student population, the primary target for RTAC II, is similarly motivated if not more so. They will be spending scarce resources for the textbooks under some pressure from their professors. Alternatively, they may use a library reference copy. Thus it is almost assured that any textbooks purchased by students will be used in an applicative way, most often at levels four and six. It is also expected that a single book will be used by multiple students either through sharing, as a result of the tradition of students studying together, or over time as a book is re-used by successive year's students. Use of the information at levels five and seven may come upon graduation when the workforce is entered.

The definition of the primary target group, university students in their first through third years, in itself guarantees the spread effect of this kind of a project. It must be remembered that today's students are tomorrow's leaders so that not only will they benefit from RTAC II's textbooks immediately, but these benefits will accrue over the years as they apply their basic knowledge and as they become professionals themselves and have a chance to influence the learning methodologies of others.

These facts underscore the importance of including the professors in the title selection process for the textbook program and developing an agressive marketing component for the publishers and bookstores, so that professors are made aware of and encouraged to assign textbooks. Textbook adoption is the key to the diffusion of RTAC II information.

c. Social Consequence and Benefit Incidence

The beneficiaries of RTAC II are numerous and diverse and include both individuals and institutions. It is easiest to delineate the different levels of beneficiaries by dealing with each program component separately.

Textbook Component

In spite of rigorous AID-funded scholarship programs such as CAPS to educate youth in the U.S., the fact remains that the bulk of students in Central America are necessarily trained in their home countries, mostly at large public universities. These students will become the political and professional elites of their countries in the years to come and thus need to be included in any U.S. strategy aimed at improving the quality of the leadership and increasing the U.S. influence in this region of the world. Thus, the more than 200,000 targeted students in Central America enrolled in technical faculties and/or departments in public and private universities, but particularly those in the first three years of study, are the primary beneficiaries of RTAC II. Its largest component, the textbook program, is aimed directly at these students who will buy and use the books sponsored by RTAC II.

As illustrated in the accompanying chart, each country in the region has a significant enrollment in both public and private universities:

	Total enrollment
Guatemala	73,700 students
El Salvador	62,023 students
Honduras	58,766 students
Costa Rica	76,126 students
Panama	52,700 students
TOTAL =	320,481 students

As shown in the Student Population by Country and Fields of Study table which follows, as of 1985, approximately seventy-five percent of the students were in the targeted technical disciplines, and it is estimated that about 80 percent of these are in years 1-3 of their studies. Thus, approximately 200,000 students are potential beneficiaries of low-cost textbooks which will contribute significantly to their education. This number, of course, would increase over the life of project with increases in the student population.

Other secondary beneficiaries of the textbook program will include:

(1) the professionals and others seeking technical information who will be able to utilize or purchase the RTAC II books found in bookstores;

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Number of Students Enrolled in Higher Education Institutions

Country	1970	1975	1980	1982/3	1985(P)
Costa Rica	15,500	33,000	61,000	54,257	76,126
El Salvador	9,500	28,300	16,000	57,374	62,023
Guatemala	15,600	22,900	50,800	47,555	73,700
Honduras	4,800	11,900	25,800	34,468	58,766
Panama	8,900	26,300	39,400	46,273	52,700
TOTALS	54,300	122,400	193,000	239,927	320,481
% Increase					

(P) Projections

Source: p.21 Education in America and Statistical Information: Central America Dominican Republic and Haiti. Organization of American States, April, 1986.

Student Population by Country and Fields of Study

1982/3

Field of Study *	Costa Rica	El Salvador	Guatemala	Honduras	Panama	Total Number of Students by Subject Area	%	Projected 1985 Population by Field of study
Social Services	4471	4371	1968	4985	3355	19150*	7%	25591
Business	4950	14284	11156	7293	13999	51682*	21%	67301
Mass Communication Documentation	1071	467	169	339	1168	3214	.1%	3205
Service Trades	115	117	-	-	-	232	2%	320
Natural Science	1578	344	1189	696	1303	5110	2%	6410
Math Computer/Sci.	2119	205	170	790	1019	4303	1.8%	5768
Medical Sci./Hlth.	2886	6679	5496	5307	3482	23850	9%	28843
Engineering	4361	10682	5197	6319	9573	36132	15%	48072
Architecture/Commun. Planning	1038	2259	2596	484	778	7155	3%	9614
Trade Crafts	-	195	-	-	324	519	.2%	6410
Transport/Commun.	-	-	108	-	-	108	.04%	128
Agriculture	2328	1940	2978	3133	229	10608*	4%	12819
Education Science and Teacher Training	5570	9074	4056	1646	2367	22713	9%	28843
Total Number of Students in Technical Fields of Study*	30487	50583	35083	30992	37597	165626		238324
Total Number of Students Enrolled in Higher Education	54257	57374	47555	34468	46273	239927		320481

*Field of study not analyzed are: Humanities, Religion, Theology, Fine Arts, Law, and Home Economics.

Source: Education Statistics; Current Surveys and Research in Statistics. UNESCO January, 1986 (CSR-3-53) pp. III-340-343.

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(2) the publishing industry and bookstores in Latin and Central America which will be strengthened by the publishing and marketing of RTAC II textbooks;

(3) the universities (including professors and libraries) which will benefit from an improvement in the quality and quantity of materials available.

Pamphlet/Booklet Program

Other important targets for the RTAC II materials are the USAID and other development projects and host country government officials working in technical ministries. These two groups will be the primary users and distributors of the pamphlets and booklets produced by the project. Many of these officials in technical ministries are responsible for outreach or extension programs in their countries. Thus, the potential to assist people participating in their own development will increase when agricultural, education and health workers and development project staff have access to up-to-date relevant materials in Spanish for use in the field. It should also be noted that through the use of these pamphlets a large number of the poor in these countries will become indirect beneficiaries of RTAC II.

Brokering of Other U.S. Information

The beneficiaries of this program area will be the organizations such as USAID missions or projects, research and development centers of universities, or research divisions within businesses in the private sector that are given access to U.S. technical and educational information they otherwise would not have known about.

Book Procurement Service

The beneficiaries of this service are the USAID missions and other approved organizations who will use this service via purchase orders as a centralized buying service for the acquisition of technical information.

Training and Technical Assistance

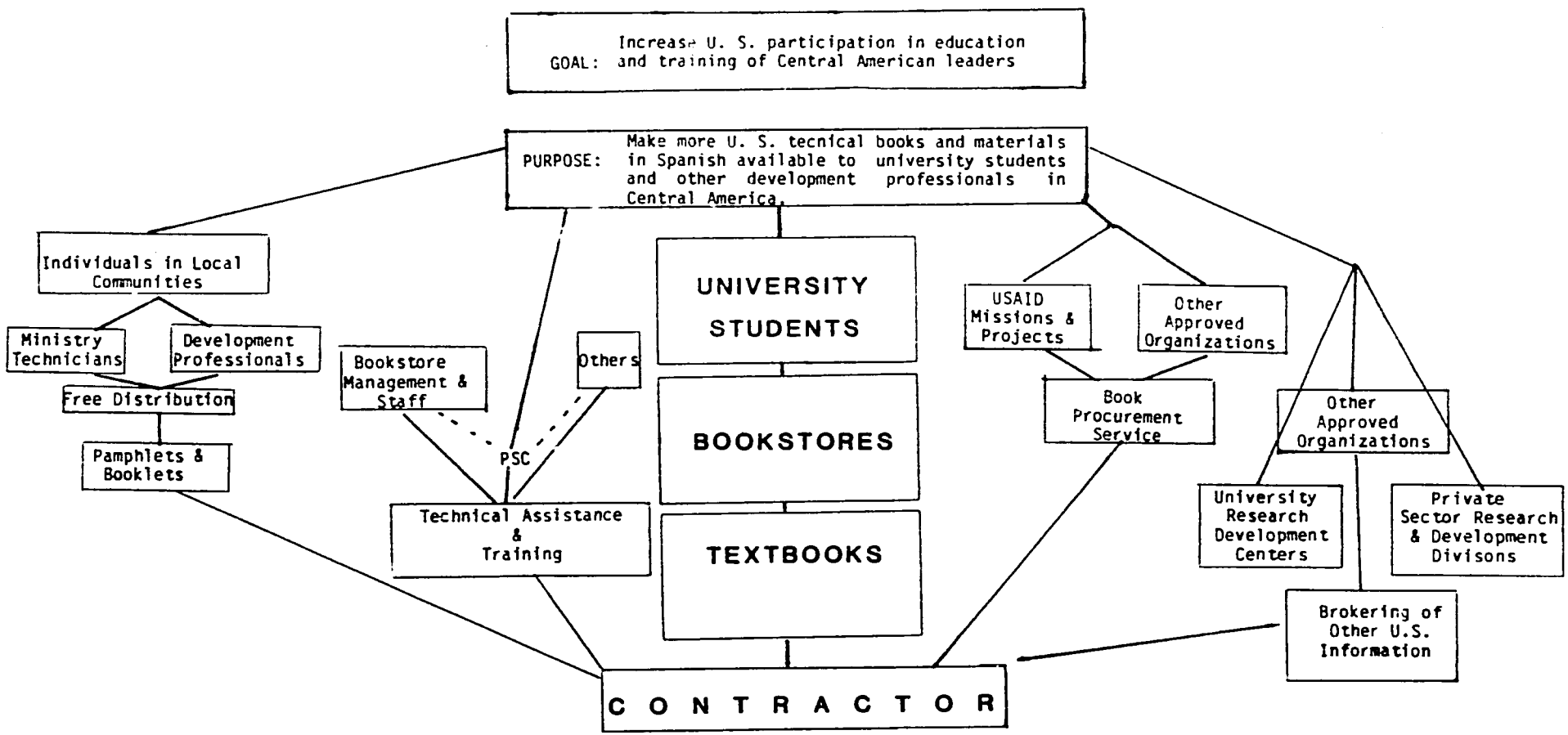
The training and technical assistance provided under this project to the publishers, bookstores, PSCs, and others will be the mainstay of the institution-building feature of RTAC II. Human resources as well as institutional capabilities will be expanded as technical training is provided to bookstores, publishers, and others, thereby strengthening this element of the private sector. Professors and other educators as well as universities will benefit from the title selection and marketing portions of the textbook program, as keeping abreast of up-to-date materials in one's field is an important aspect of professional compentency.

There is every reason to believe that both men and women will

share equally in the benefits of the project, since enrollment in the universities in all the countries is both male and female. Since large numbers of women in Latin America are involved in library science and information distribution, women stand to benefit appreciably from the professional development features of the training offered locally and regionally. In addition, the associations of information distribution and publishing professionals will be indirect beneficiaries of the significant amount of professional development opportunities created by the work necessary to expand marketing and distribution under the project.

The RTAC II Benefits Flow Chart graphically illustrates the beneficiaries of the various program components.

RTAC II BENEFIT FLOW CHART



4. Administrative Analysis

RTAC II is a regional project designed to address a regionally identified problem, the lack of availability of quality U.S. origin technical books in Spanish at affordable prices and the increasing Soviet influence among university students in the area. The implementation, administration and feasibility aspects of a region-wide project assume greater importance than a country-specific project, as subcontractors and country-specific efforts must be coordinated and the possibility of management fragmentation must be avoided.

There are three management entities which will be involved in the overall running of RTAC II: AID/Washington, the USAID/missions and the prime implementing agent, the contractor. Their responsibilities are broken down as follows:

(1) AID/Washington - The AID Project Officer. The AID Project Officer will have primary responsibility for providing AID policy and implementation guidance for the project. He or she will exercise AID project monitoring responsibilities, including monitoring the performance of the contractor, preparing or clearing all communications related to the project with USAID Missions, serving as a liaison with the U.S. Embassy, preparing all AID project documentation and correspondence needed either internally within AID or externally, e.g., with the Congress acting as the liaison with USAID Missions on Project-related matters and collecting, analyzing and disseminating information on project activities. He or she will be responsible for leading internal AID evaluations of the Project and for arranging external evaluations. It is anticipated that project monitoring will require no more than one-third of the Project Officer's time. He/She will need to plan to take two two-week trips each year to visit the field staff and missions.

(2) USAID Field Missions. USAID Field Missions in each of the participating countries will play a major role in the project. As detailed in the Implementation Plan (Section III of this Project Paper), the missions in each participating country must: (1) provide office space from which to run the project; and (2) provide for management of the in-country distribution of the project materials, including the compilation of distribution lists for the pamphlets and booklets, by funding a responsible host country national in each country under a personal services contract (PSC); and (3) provide funds for in-country travel for PSCs to periodically follow-up with recipient organizations. In order that the project is not delayed, it is important that each missions hire a qualified PSC and provide a site for the project in a timely manner (by the sixth month of the project). A detailed job description for the PSC is provided at the end of this section.

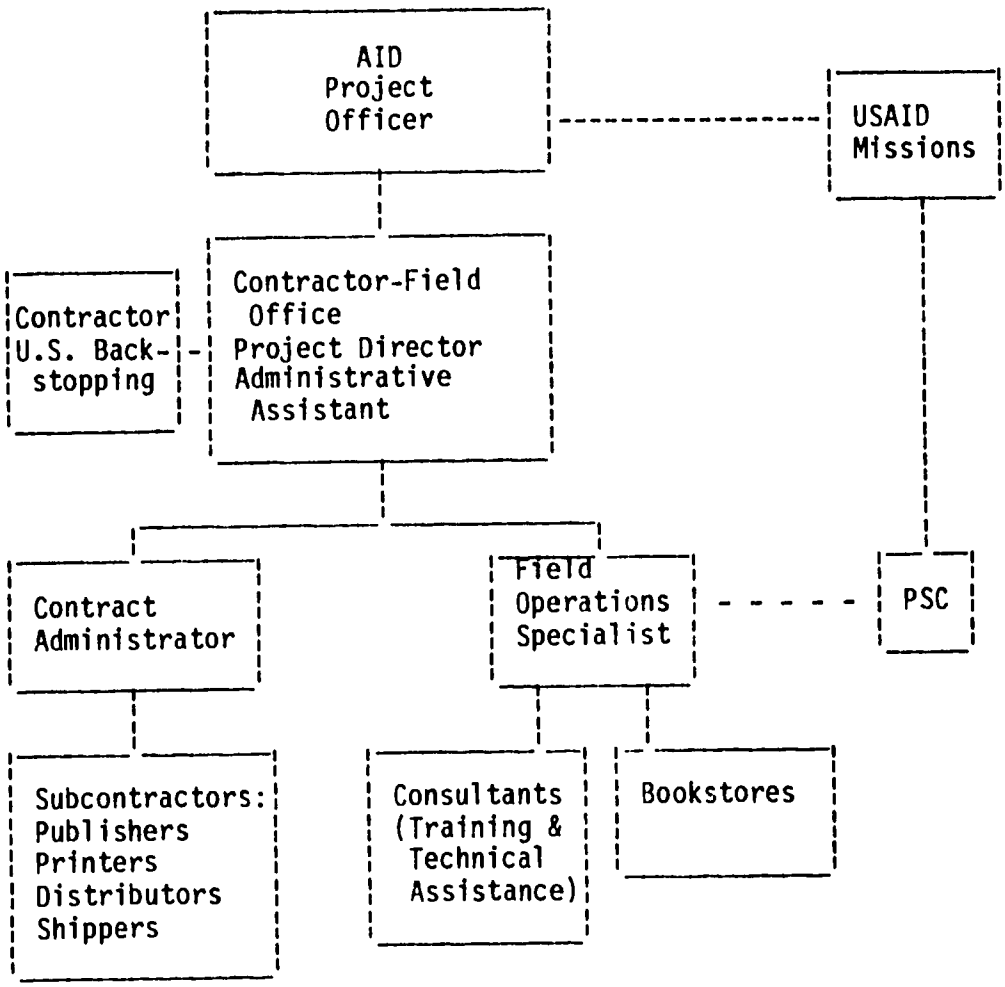
(3) Prime Implementing Agent, the Contractor. AID will contract an 8-A minority Contractor to perform or arrange for all project implementation actions and functions.

The Executive Officers of the Contractor shall be responsible for ensuring that AID policies are followed in the execution of the Project. Although not directly assigned to the Project, they shall assume overall responsibility for the qualitative performance of all Project personnel and the efficient use of Project funds. Salaries and other costs of the contractor's executive staff shall not be charged directly to project costs, with the exception of a person assigned to the project to ensure that appropriate backstopping (financial and administrative support) is provided to the field staff.

The Contractor will recruit and hire a four person field team composed of a Project Director, Contract Administrator, Field Operations Specialist, and Administrative Assistant to implement the project on a day-to-day basis. In addition, consultant expertise (approximately fourteen person-months per year) will be provided on an as-needed basis to the AID mission, to the PSCs and staff/organization in charge of in-country distribution, university bookstores, and others, as necessary, in the areas of marketing and promotional strategies, computerized data base searching, management and administration, and equipment training.

A summary RTAC II Organizational Chart is provided at the end of this section which shows clearly the relationships among the various management entities, staff, subcontractors, etc. involved in RTAC II. In addition, detailed job descriptions and qualifications for each of the contractor field staff positions and the mission-hired PSC, including who each reports to and supervises, is also provided.

RTAC II Organizational Chart



Position Description - Organizational Placement

POSITION: Project Director

REPORTS TO: Contractor Executive Officers

FUNCTIONS:

The Project Director shall have primary responsibility for managing and supervising all field project activities of the Contractor. These activities will include all technical, strategic, financial, administrative and logistics matters. He or she will be responsible for ensuring compliance with the terms of the contract with AID including all reporting requirements and will be the primary liaison of the contractor and field office with the AID Project Officer. He or she will supervise the recruitment and performance of all personnel (field staff and consultants) assigned under the project. He or she will supervise the selection of and monitor the sub-contractors for compliance.

RESPONSIBLE FOR STAFF MEMBERS:

Contract Administrator
Field Operations Specialist
Administrative Assistant

EMPLOYED BY:

Contractor

LANGUAGE CAPABILITY:

FSI 3 - Spanish

QUALIFICATIONS:

He or she will be an experienced international information dissemination project manager (with a minimum of 15 years of managerial-level experience), have considerable experience in developing country environments, particularly Latin and Central America, and be familiar with AID contract and management requirements and practices. He or she must be prepared to spend considerable time (approximately one-half) travelling to the U.S. and throughout Latin and Central America, directly participating substantively in, reviewing and evaluating project activities, coordinating with the PSC, selecting and monitoring sub-contractors, and ensuring quality performance of the field office staff, consultants, and sub-contractors.

Position Description - Organizational Placement

POSITION: Contractor Administrator

REPORTS TO: Project Director

FUNCTIONS:

The Contractor Administrator will have primary responsibility for exploring appropriate contractual vehicles with the various sub-contractors and with the bookstores. She/he shall have primary responsibility for sub-contractor selection, contract negotiation, and contract monitoring. She/he will also be responsible for any necessary equipment procurement (such as microcomputers) and for the book procurement service.

RESPONSIBLE FOR STAFF MEMBERS:

None

EMPLOYED BY:

Contractor

LANGUAGE CAPABILITY:

FSI 3 - Spanish

QUALIFICATIONS:

He or she should have extensive knowledge of contract negotiation and preparation, have monitored a variety of contracts and have had considerable experience with AID contracting requirements. He or she should be prepared to spend approximately one-third of his time travelling to the U.S. and throughout Latin and Central America.

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Position Description - Organizational Placement

POSITION: Field Operations Specialist

REPORTS TO: Project Director

FUNCTIONS:

The Field Operations Specialist will be responsible for training and coordinating the provision of technical assistance by the consultants. This individual will be the prime liaison with the PSC within each mission. He or she will also supervise the data collection efforts to make title selection recommendations for the textbook-publishing program each year and to collect baseline data at the outset of the project for later comparative use in project evaluations. He or she will be responsible for ensuring that project training activities are being conducted in a professional, effective manner and that the materials used and provided under the project are up-to-date and conform with any applicable AID requirements.

RESPONSIBLE FOR STAFF MEMBERS:

None

EMPLOYED BY:

Contractor

LANGUAGE CAPABILITY:

Spanish - native fluency

QUALIFICATIONS:

He or she should have a good knowledge of training methodologies and promotional strategies and have extensive training experience in the areas of promotion and marketing and management and administration as they are applied to the information sciences. He or she must be prepared to spend approximately one-half of his/her time travelling in Central America.

Position Description - Organizational Placement

POSITION: Administrative Assistant

REPORTS TO: Project Director and other staff persons if responsibility is so delegated.

FUNCTIONS:

The Administrative Assistant will provide administrative and clerical support services to the other three team members and consultants, as needed. This position includes making travel arrangements for the staff and consultants, using the microcomputer for communications with PSCs and distributors, telephone-answering duties, etc. This person will also be responsible on a day-to-day basis for the book procurement service.

RESPONSIBLE FOR STAFF MEMBERS:

None

EMPLOYED BY:

Contractor

LANGUAGE CAPABILITY:

Spanish - native fluency

QUALIFICATIONS:

He or she should have appropriate administrative and secretarial skills to provide the required support services.

Position Description - Organizational Placement

POSITION: Personal Services Contractor (PSC)

REPORTS TO: USAID Mission staff

FUNCTIONS:

The PSC in each country will be responsible for the management of the in-country distribution of the project materials, including distribution list development. The PSC will visit university professors to gather follow-up information on textbook adoption and coordinate extensively with the university bookstores concerning marketing strategies and the progress of sales. The PSC will serve as a liaison between the AID university linkages and Central America Peace Scholarship Program (CAPS) projects to ensure a sharing of contacts and avoid duplication of efforts. In addition, the PSC will support the CAPS program by interviewing potential and returned scholars.

RESPONSIBLE FOR STAFF MEMBERS:

None

EMPLOYED BY:

USAID missions within each participating country.

LANGUAGE CAPABILITY:

Spanish - native fluency

QUALIFICATIONS:

He or she should be a gregarious self-starter, able to relate to students as well as to professors and officials at all levels in universities and government ministries. He or she should be an experienced manager and administrator.

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AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

LAC/DR - IEE-86-21

ENVIRONMENTAL THRESHOLD DECISION

Project Location	:	Central America Regional
Project Title and Number	:	Regional Technical Aids Center _II (RTAC-II)
	:	597-0011
Funding	:	$10,000,000
Life of Project	:	FY86-91
IEE Prepared by	:	Thomas Donnelly LAC/DR/EST
Recommended Threshold Decision	:	Categorical Exclusion
Bureau Threshold Decision	:	Concur with Recommendation
Comments	:	None
Copy to	:	LAC/DR/EST, Paul White
Copy to	:	LAC/DR/EST, Tom Donnelly
Copy to	:	IEE File

Marea E. Hatziolos Date July 1, 1986

Marea Hatziolos
Deputy Environmental Officer
Bureau for Latin America
and the Caribbean

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Environmental Impact Consideration

I. Project Data

Country:	Central America Regional
Project Title:	Regional Technical Aids Center II
Project Number:	597-0011
Life of Project:	5 years

II. Project Description

RTAC-II is a project designed to provide up-to-date technical materials and textbooks in Spanish to university students in Latin America. The project will purchase already translated and published Spanish language textbooks principally from Mexican publishers for subsequent distribution in Central America to libraries and technical offices and through bookstores for sale at reasonable prices to university students. RTAC-II will also support the publishing of selected titles not yet available in Spanish through "buying into" a print run. RTAC-II will also translate and print selected non-commercial materials for more widespread distribution and will consider eventually dubbing audio visual materials.

The total estimated cost of the Project (not including possible Mission buy-ins) is $10,000,000 over a five year period. The A.I.D. resources will finance contractor administrative costs, the purchase of textbooks, the translation and printing of non-commercials and the dubbing of audio-visual materials.

III. Conclusion

All of the above A.I.D. financed activities are included in the list of activities eligible for categorical exclusion as per Section 216.2(2)[v] and [vii] of A.I.D.'s Environmental Procedures (Handbooks 3). Consequently, an Environmental Examination is not required.

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