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

DOMINICAN REPUBLIC

PROJECT PAPER

DEVELOPMENT TRAINING

AID/LAC/P-297

Project Number:517-0216

UNCLASSIFIED

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

DOCUMENT CODE

3

COUNTRY/ENTITY
DOMINICAN REPUBLIC

3. PROJECT NUMBER
517-0216

4. BUREAU/OFFICE
Latin America and the Caribbean [05]

5. PROJECT TITLE (maximum 40 characters)
DEVELOPMENT TRAINING

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)
MM DD YY
07/31/91

7. ESTIMATED DATE OF OBLIGATION
(Under "B." below, enter 1, 2, 3, or 4)
A. Initial FY [86] B. Quarter [3] C. Final FY [88]

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

A. FUNDING SOURCE	FIRST FY 87			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	912.4	52	912.4	6,584.5	415.5	7,000
(Loan)	-	-	-	-	-	-
Other						
U.S.						
Host Country	-	144	144	-	2,403	2,403
Other Donor(s)						
TOTALS	912.4	196	1,056.4	6,584.5	2,818.5	9,403

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) EHR	600	690		-	-	4,500	-	7,000	-
(2)									
(3)									
(4)									
TOTALS						4,500	-	7,000	-

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)
663 | 150 | 070 | 840

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)
A. Code | INTR | | | | | | |

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To train professional, technical and managerial personnel to meet the manpower demands of the export-oriented industrial and agricultural sectors.

14. SCHEDULED EVALUATIONS
Interim MM YY | 07 | 87 | MM YY | 07 | 88 | Final MM YY | 06 | 91

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)

Approval of Methods of Implementation and Financing:

Gerald Hensley
Gerald Hensley, Acting Controller

17. APPROVED BY
Signature: *[Signature]*
Title: Henry H. Bassford, Mission Director

Date Signed: JUL 2 1986
MM DD YY

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
MM DD YY
08/15/86

PROJECT AUTHORIZATION

NAME OF ENTITY:	National Council of Businessmen
NAME OF COUNTRY:	Dominican Republic
NAME OF PROJECT:	Development Training
NUMBER OF PROJECT:	517-0216

1. Pursuant to Section 105 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Development Training Project for the Dominican Republic involving planned obligations of not to exceed Seven Million United States Dollars (\$7,000,000) in grant funds over two years 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 the project is five years from the date of initial obligation.

2. The project consists of participant training and technical and commodity assistance to the National Council of Businessmen (CNHE) to train professional, technical and managerial personnel to meet the man power demands of the export-oriented industrial and agricultural sectors.

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

a. Source and Origin of Commodities, Nationality of Services

Commodities or services financed by A.I.D. under the Project shall have their source and origin in the United States or the Dominican Republic, 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 or the Dominican Republic as their place of nationality, except as A.I.D. may otherwise agree in writing.

Ocean shipping, financed by A.I.D. under the Project, shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

b. Conditions Precedent to Disbursement

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

(a) An opinion of the legal advisor to the Grantee that the Agreement has been duly authorized and executed on behalf of the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms; and

(b) A statement of the name of the person who will represent the Grantee, and of any additional representatives, together with a specimen signature of each person specified in such statement.

(2) Disbursement for the Project Office

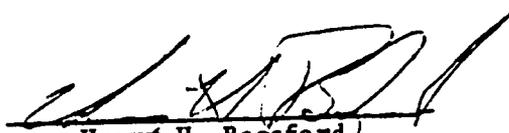
Prior to the disbursement of funds under the Project, or to the issuance by A.I.D. of documentation pursuant to which disbursement shall be made for the CNHE Training Office, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., evidence that adequate office space is available for the office, and that a Project Manager has been designated, including a statement of his responsibilities.

(3) Subsequent Disbursement for Training

Prior to the disbursement of funds for training costs associated with the second and subsequent groups of long-term candidates, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., a training plan that includes projections for the up-coming year for long- and short-term training in both the U.S. and third-countries. The plan should be based on the enterprise training plans and should be updated annually.

c. Covenants

The Grantee shall covenant that, except as A.I.D. may otherwise agree in writing, it will enter into a sub-grant agreement with the Partners of the Americas to carry out a special training program in an amount not to exceed \$300,000 for training activities similar in scope and direction as that of the Development Training Project.


Henry H. Bassford
Director
USAID/Dominican Republic

JUL 2 1986

Date

DEVELOPMENT TRAINING PROJECT
517-0216

TABLE OF CONTENTS

	<u>Page</u>
I. Summary and Recommendations	
A. Summary Problem	1
B. Summary Description	1
C. Implementation Arrangements	1
D. Recommendations	1
II. Background	
A. Economic Context	2
B. Human Resource Constraints to Private Sector Development	2
1. Lack of Professional and Managerial Personnel	2
2. Lack of Technically Skilled Personnel	3
3. Inadequate In-Country Capability	5
C. Existing Training Opportunities	
1. Other Donors' Programs	5
2. A.I.D. Participant Training	6
D. Project Rationale	
1. USAID Strategy	7
2. A.I.D. Policy	8
3. Project Rationale	8
4. Justification for U.S.-Based Training	9
III. Project Description	
A. Project Goal	9
B. Project Purpose	10
C. Indicators of Project Success	10
D. Project Components	
1. U.S. Graduate Training	11
a. Masters Degree Training	11
b. University Faculty Training	13
2. Short-Term Training	15
3. Partners of the Americas	16

	Page
4. Supporting Activities	
a. English Language Training	16
b. Special Programming	17
c. Evaluation and Follow-up	18
E. Cost Estimates and Financial Plan	18
1. A.I.D. Costs	19
2. Host Country Costs	19
F. Methods of Implementation and Financing	22
IV. Summary of Analyses	
A. Technical Analysis	23
B. Institutional Analysis	24
C. Social Soundness Analysis	30
D. Financial/Economic Analysis	33
V. Implementation Arrangements	
A. Summary	34
B. Schedule of Main Events	35
C. Detailed Implementation Plan	36
D. Selection Process	39
E. Evaluation Plan	40
F. Negotiating Status, Conditions and Covenants	41

Annexes

Annex A	Project Development Committee PID Approval Cable CNHE Letter of Request
Annex B	Logical Framework
Annex C	Project Checklist
Annex D	Selection Criteria
Annex E	Detailed Information on University Faculty Training
Annex F	Detailed Information on English Language Training
Annex G	Detailed Cost Tables
Annex H	ISA/CADER Demand Analysis
Annex I	Institutional Analysis Questionnaire
Annex J	CNHE Information
Annex K	WBS Information
Annex L	Procurement Plan

V

LIST OF ACRONYMS

AID	Agency for International Development
AmCham	American Chamber of Commerce
APEC	Action for Education and Culture
CNHE	National Council of Businessmen
ELT	English Language Training
FUNDAPEC	Educational Credit Foundation of APEC
GODR	Government of the Dominican Republic
ICDA	Dominican-American Cultural Institute
IDB	Inter-American Development Bank
INCAE	Central American Institute of Business Administration
INFOTEP	National Institute of Technical-Vocational Education
INTEC	Technological Institute of Santo Domingo
ISA/CADER	Superior Agriculture Institute - Center for Rural Development Management
LAC II	Latin American and the Caribbean Project II
OAS	Organization of American States
PTIIC	Presidential Training Initiatives for the Island Caribbean Project
PTMS	Participant Training Management System
UASD	Autonomous University of Santo Domingo
UCE	Central University of the East
UCMM	Catholic University Mother and Teacher
UNPHU	Pedro Henríquez Ureña National University
USIS	United States Information Service
USAID	United States Agency for International Development (in the Dominican Republic)
WBS	Work Breakdown Schedule

1

DEVELOPMENT TRAINING PROJECT PAPER

I. SUMMARY AND RECOMMENDATIONS

A. Summary Problem

A number of constraints have been identified in the private sector which hamper efficient economic growth. These include a lack of trained professional, managerial and technical personnel for the productive sub-sectors and the inability of the local educational institutions to adequately meet the current demand.

B. Summary Description

The purpose of the project is to train professional, technical and managerial personnel to meet the manpower demands of the export-oriented agricultural and industrial sectors. The project will consist of participant training in three areas: Masters level training for 55 employees of the private sector, PhD or Masters level training for 8 university faculty members in fields related to the private sector and short-term training for approximately 250 private sector employees. The training will be offered mainly in the U.S.; however, there will be a limited amount of third country training. The training will be in priority areas related to export promotion in industry, agriculture, agroindustry and the financial sectors.

C. Implementation Arrangements

The project will be implemented over a five year period. AID will provide \$7,000,000 in grant funds to finance training and project implementation costs. A counterpart contribution of \$2,403,000 equivalent in local currency will be provided mainly by the sponsoring entities to cover the costs of airfare and salaries while participants are in training.

The implementing agency (grantee) will be the National Council of Businessmen (CNHE) which will be responsible for participant recruitment and selection. The CNHE will work in conjunction with a U.S. contractor with expertise in participant processing, placement and monitoring.

D. Recommendations

The Project Development Committee has determined that the project, as designed, is technically, institutionally, socially, economically and financially sound. The project is consistent with the USAID Country Strategy and AID policy. The Committee, therefore, recommends approval of the Development Training Project (517-0216).

II. BACKGROUND

A. Economic Context

During recent years, the Dominican Republic has experienced serious economic problems that are manifested by balance of payments gaps, public sector deficits, depreciation of the national currency, slow GDP growth, high inflation and rising unemployment. In January 1985, the Government of the Dominican Republic (GODR) undertook a series of economic measures which included efforts to stabilize the foreign exchange rate, lower inflation, increase savings and reduce budgetary deficits. Even though the GODR is addressing these issues, fundamental longer term problems remain. At the root of many of these problems is the need to diversify its agricultural and industrial base as a means to achieving economic growth.

The agricultural sector accounts for one-quarter of the Dominican Republic's economic output. Over 45% of the country's labor force is employed in agriculture, and improvements in this sector's productivity, employment, and income can have an immediate and direct impact on large numbers of poor Dominican workers. Sugar still plays a dominant role in the economy and accounts for 35% of total export earnings. However, reduced U.S. import quotas, continued low international sugar prices and the growing use of sugar substitutes demonstrate the need for the country to identify new non-traditional export crops to earn foreign exchange, provide employment, and increase domestic revenues. To make this transition will require access to land and credit, technical expertise in new crop production as well as administrative and management skills.

On the production side, many of the existing industrial enterprises that have potential to move to an export market are operating at only a fraction of their capacity. They are inefficient and their quality standards are often unacceptable for international markets. To enable Dominican firms to diversify and compete in the world market will require new technical expertise and skills; new modes of production, distribution and marketing; more sophisticated administrative and management skills; and more knowledge of international trade.

B. Human Resource Constraints to Private Sector Development

A number of constraints have been identified in the private sector which hamper efficient economic growth. These include a lack of trained professional, managerial and technical personnel for the productive sub-sectors, and the inability of the local educational institutions to adequately meet the current demand.

1. Lack of Professional and Managerial Personnel

Light industry, especially within free trade zones, is expected to make a significant impact on the Dominican economy; however, the most cited complaint of owners is the severe shortage of managerial talent, especially at

the middle-level. This will, in the short-run, impede its rapid expansion. Small businesses, which range from individual entrepreneurs to medium-sized enterprises, are a significant sector in the Dominican economy but they also suffer from the lack of trained managers.

A demand analysis carried out by the USAID points to a need to train new managers at the graduate level, as well as to update the skills of current managers and professionals. Some of the particular constraints in the managerial field that have been identified are in the marketing and sales area. Dominican businesses lack a general knowledge of foreign markets and are in need of skilled managers in market research, advertising, sales and customer service in order to tap into and compete effectively in world markets. Also, there is a lack of expertise in accounting, cost analysis and control, and computer-based information systems. Advanced, up-to-date engineering degrees are also in short supply for the production of new goods and services.

The financial sector has grown rapidly to support the new export-oriented economy. But Dominican banking institutions express concern over the shortage of trained personnel in the areas of international trade and export finance. In addition, support skills in such areas as contract negotiation, trade practices, export documentation and international transport are limited and deficient in both the business and the banking communities.

A similar situation exists in the agro-industrial sector. Professional managers are required to refocus this sector towards non-traditional, export-oriented agriculture. This shortage of personnel includes mid-level management and professional specialists in agribusiness administration, agricultural production, agronomy, food technology, and product design.

2. Lack of Technically Skilled Personnel

In the Dominican Republic, at the present time, a significant shortage exists for trained technicians at the foreman, supervisor and apprenticeship levels. This shortage of qualified personnel trained at the associate or undergraduate level is apparent in many areas and is viewed by the private sector as a significant constraint to growth and expansion.

In manufacturing and production, training and upgrading of existing personnel is required in quality control, plant and equipment operations and maintenance. On the agricultural side, there is a demand for persons skilled in the production of new agricultural crops, modern farm and nursery management, and farm equipment maintenance.

While local universities, secondary schools and community colleges meet much of the demand for skilled personnel in the Dominican Republic, there are critical areas where Dominican institutions do not have the curriculum to provide technologically up-to-date study. For instance, the

areas of computer skills, maintenance mechanics and electronics are particularly weak. Other issues which impact on the local institution's capacity at the technical level are the quality of the education and their capacity to train sufficient numbers to meet the current demand for specialists.

The following table is illustrative of the annual supply and demand for trained individuals at the professional, managerial and technical levels in the industrial, agro-industrial and financial sectors. This table, based on results of an initial needs assessment conducted by the USAID, reveals that the current annual supply of trained personnel meets less than 40% of the formal demand requirements of these subsectors. The preliminary results are particularly revealing at the graduate degree level where current demand for MBA's is 6 times the present supply.

TABLE 1
SUPPLY AND DEMAND FOR TRAINED PERSONNEL

<u>Fields</u>	<u>A N N U A L D E M A N D</u>			<u>Total Annual Demand</u>	<u>Total 1985 Supply</u>	<u>%</u>
	<u>Industry</u>	<u>Agribusiness</u>	<u>Financial</u>			
<u>Managerial</u>						
1. MBAs	172	172	172	516	86	16.7
2. Accountants	195	195	178	568	445	78.3
3. Production Managers	100	104	0	204	6	2.9
4. Banking	0	0	60	60	18	30.0
<u>Technical</u>						
1. Industrial Mechanics	442	0	0	442	37	8.4
2. Industrial Electronics	180	0	0	180	63	35.0
3. Production Supervisors	125	125	0	250	258	103.0
4. Food Processing	0	60	0	60	0	0
5. Diesel Tech.	6	6	0	12	14	111.7
6. Graphic Arts	72	0	0	72	18	25.0
7. Industrial Design	36	0	0	36	0	0
=====						
Total Estimated Annual Demand	1,328	662	410	2,400	945	39.4

Based on the results of this initial study, a more detailed demand analysis was carried out focusing on the export-oriented agribusiness, light industrial, free zone and financial sectors. The results of this study essentially support this assessment and are summarized in the Technical Analysis. Annex H contains the full study.

3. Inadequate In-Country Capability

The Dominican education system has grown and improved considerably in the past 25 years, but, as shown above, it is not adequate to meet the current demand for trained personnel. In 1961, there was only one university, the Autonomous University of Santo Domingo (UASD); at present, there are 33 institutions of higher education in the Dominican Republic. Many constraints impede the ability of the D.R.'s numerous educational institutions from meeting the demand for trained personnel.

The basic university and technical curricula offered in the Dominican Republic are thorough and well organized, however, many are traditional, duplicative and/or out-of-date. They do not have adequate equipment, especially in technical areas, and lack current library and reference material. Universities, for the most part, rely on the services of part-time faculty. Therefore, they cannot dedicate themselves to high quality teaching and research. The other major problem is financial; most institutions suffer from inadequate funding. While universities and polytechnic institutes receive government subsidies, these are used to defray current costs, rather than for investments in revision of the curriculum and faculty upgrading.

The Dominican higher education system lacks an updated, business-oriented and technologically current curriculum that is relevant to the needs of the country. The educational institutions have failed to forge linkages with the business community to develop more realistically trained, employable graduates in the necessary skill areas needed by the private sector. The specific shortcoming of the Dominican educational system, with regard to international business and professional education, is that there is limited MA training necessary for business development and non-existent PhD training required for well-developed university faculty. The lack of educational programs is particularly noticeable in the areas of international trade and agriculture. In the technical schools, the curriculums are outdated or do not emphasize current business-related skills.

C. Existing Training Opportunities

1. Other Donor's Programs

Some of the country's training and institutional development needs are being fulfilled by the activities of major bilateral and multilateral donors. However, their efforts generally focus on the public sector and on faculty training, not on the needs of the business sector. For example, the OAS offers both long- and short-term scholarships for public administrators and fellowships in the fields of education, science and

technology. An IDB loan is financing faculty development and training for 13 INTEC professors. Also, short-term participant training is financed by the IDB for the public sector in revenue administration, customs, commerce and planning.

The World Bank supports two major in-country vocational training programs at INFOTEP and the Montemar Hotel School. The IDB is also involved in strengthening the vocational training capability of Dominican institutions. It concentrates on short courses for vocational/technical teachers in the areas of administration, curriculum design, and various technologies such as dairy food, electronics, diesel mechanics, industrial electricity, industrial clothing manufacture, etc. The IDB has also financed the development of a polytechnical school and art school in Santo Domingo and vocational centers in Azua, Santiago and Higüey. These centers are currently under construction and should fill the need for vocational/technical training in the D.R. in the medium-term future.

Several countries have bilateral training programs for Dominicans. However, most of these are in specific technical or professional areas. For instance, Italy provides technical training in shoe making and leather curing. The Japanese Government finances training for approximately twenty technicians and government officials per year in such areas as telecommunications, natural resources and engineering. Both France and Spain provide scholarships for long-term professional training in law, medicine, and economics. Germany will, in 1986, finance five student scholarships for an eight month course in business creation and management.

Thus, while some of the available bilateral or multilateral training addresses the need for entrepreneurial, managerial and technical training for the business sector, that which is available is not systematic, and reaches too few participants to meet the actual demand that currently exists. Also, while some of the training offered is for faculty training such as the IDB loan for INTEC professors, it is insufficient for the development of strong graduate level faculties in the priority areas of private sector development.

It is estimated that over 800 Dominicans are receiving long-term training in the Soviet Union and other Eastern Bloc countries. Approximately 125 new participants are recruited annually, including high school level students; most short-term training and faculty exchanges are conducted in Cuba. The training program is organized and coordinated by the Dominican Republic Communist Party. However, most private businesses in the Dominican Republic shy away from hiring Soviet Bloc graduates because their training is considered inferior in quality and lacks exposure to modern techniques and equipment. Therefore, most Soviet Bloc graduates are employed in the public sector.

2. A.I.D. Participant Training

Participant training has always been an important element of the AID strategy. In 1985, the USAID sponsored 203 participants for training in the United States under 27 different projects. However, most of this training has been directed towards the public sector in the areas of agricultural research, policy and production, natural resources management and irrigation sciences. Only fifty-one participants were trained in management and technical areas related to the private industrial sector, and only minimal off-shore training was provided to the private agricultural sector.

The Agriculture Sector Training project is a loan-funded effort designed to strengthen the research, teaching, extension, and program implementation capabilities of public sector agricultural institutions and universities. Over 94 participants will receive graduate degrees under this project. Another project with a major training component is the On-Farm Water Management project which will train 24 specialists in such fields as irrigation delivery systems, farm machinery, operational maintenance, farm management and farmer organizations.

The USAID recently submitted a revised Country Training Plan describing the strategy for implementation of the new Presidential Training Initiative for the Island Caribbean project (PTIIC). The PTIIC strategy will seek to counteract the increasing Soviet and Cuban training influence in the D.R. The USAID has been allocated \$3 million for training. The program will focus on long and short-term U.S. training for three groups not currently being targetted under other projects. These groups include teachers and socially and economically disadvantaged youth; small enterprise personnel and selected public sector personnel in management positions from the Secretariat of Education, Health, Labor and Sports. A total of 121 individuals will receive scholarships.

A start has been made by the USAID towards meeting the training needs of the private sector. The major USAID training activity for private sector growth is the LAC II Training Initiatives which provides \$450,000 per year for Masters degrees in the U.S., and short-term courses, seminars and visits for key decision-makers in the private and public sector. The selection criteria are geared towards those enterprises or institutions that contribute directly to the development of export-related, productive growth. Eighteen participants have been trained to date in such areas as economics, agribusiness and international commerce. Also, the Export and Investment Promotion project includes significant amounts of training, mainly in-country and through short courses in the areas of tax, customs, investor services, investment promotion and export development. This will be carried out through private and public institutions such as CEDOPEX, the American Chamber of Commerce, and the Association of Exporters.

D. Project Rationale

1. USAID Strategy

The USAID development strategy is designed to support the Dominican Republic's recovery and growth through a private sector-led expansion and diversification of the country's economic base. It focuses on four major categories of activities: 1) continued implementation of the current economic stabilization program; 2) expanded private investment in the industrial and agricultural sectors and the development of a broader base of non-traditional exports; 3) rapid diversification of the agricultural sector into non-traditional crops with foreign exchange earning potential; and 4) improved access to needed health care and family planning services by reinforcing the private sector's capacity to meet these needs.

The Human Resource Division (HRD) ensures that the USAID development strategy is followed by planning and implementing activities that provide trained personnel necessary to accomplish the short-term, mid-range and long-range development goals, while, at the same time, supporting and integrating the training and institution building activities of the technical divisions.

2. A.I.D. Policy

The proposed project is consistent with the AID policy which encourages participant training to strengthen key development institutions as long as the training is in priority areas established in the CDSS and associated with specific sector objectives. AID's policy for training for the private sector is based on the same general guidelines with respect to ensuring that trainees return to their home country and to positions in which their skills are effectively employed. The private sector should participate in AID's assessment of needs and selection of candidates. In addition, their contribution to the costs of training should be encouraged to the maximum extent possible.

While AID policy encourages local and external short-term training, U.S. long-term training is also appropriate. This training should be limited to fields in which training is not available locally and should focus on graduate level training such as masters degrees for managers and technicians and PhD training for teaching faculty.

3. Project Rationale

The success of the strategy outlined above will require substantial upgrading of personnel and retraining at the managerial, professional and technical level to enable Dominican firms to diversify and compete in the world market. A critical mass of skilled individuals is necessary to provide a self-sustaining momentum to meet the development goal of a restructured economy.

The training will fulfill an immediate need and focus on those areas identified as critical by the private sector. The appropriateness of the project design was verified by a USAID-sponsored demand analysis in which the majority of companies interviewed felt that the lack of trained employees was one of the critical limitations to future growth. Their expressed needs were for Masters degree training at the managerial and administrative level and short-term training in the technical and administrative areas.

The local Dominican institutions cannot meet the current demand for trained personnel. The training activities currently financed by A.I.D. and the other donors are also inadequate. The Development Training Project is a means of responding to some of the immediate requirements for private sector training. In the short- to medium-term it can have a significant development impact on the country.

4. Justification for U.S.-based Training

The training will be carried out mainly in the U.S. where participants can enjoy a wide-range of opportunities at all levels, from basic managerial skills to state-of-the-art technology. The number and variety of programs will allow course selection based on the individual's needs and the requirements of the business. This level of selection and variety does not currently exist in the Dominican Republic. Thus, U.S. training in pre-existing and specialized courses will allow a rapid completion of training and quick assimilation of new skills, knowledge and experience. To attempt to develop institutions in-country to duplicate specialized training that is readily available in the U.S. would be prohibitive in terms of dollar costs and time required.

Long-term graduate level training in the U.S., while expensive, offers the highest quality instruction in the critical areas of economics, business, science, technology, agricultural sciences and engineering. The experience offers the participant access to the most sophisticated scholarship and research and it results in a rapid introduction of new concepts and technologies in the host country. U.S. educational institutions are often centers of international networks --both formal and informal. Participants form lasting relationships that facilitate the continuing exchange of ideas and experiences even after the formal training has terminated. The relationships often include membership in U.S.-based professional organizations.

Training in the U.S. also has positive impacts, both economically and politically. In the long run it develops closer and mutually beneficial economic relations between the U.S. and the Dominican private sector. It is an effective way to acquaint participants with U.S. products and technology. Through hands-on training, short courses and specially designed observational tours and other private sector-sponsored courses, participants acquire familiarity with and often a preference for U.S. products. U.S. training also has a favorable political impact. Returned

participants maintain close intellectual, cultural and social ties with the U.S. It fosters political friendship through professional linkages and a better understanding in the host country of American institutions and political values.

III. PROJECT DESCRIPTION

A. Project Goal

The goal of the project is to improve the human resource base required for private sector growth and development. This project will provide the trained personnel required to stimulate growth and thereby increase levels of employment and foreign exchange earnings. Goal achievement will be measured by the job positions of returned trainees and their longer-term contribution to private sector development.

B. Project Purpose

The purpose of the project is to train the Private Sector professional, technical and managerial personnel required to meet the manpower demands of an export-oriented economy. This will be achieved by providing U.S., and some third country training, in priority export-oriented private sector areas. The training objectives will be: a) to improve the range and the quality of educational opportunities for Dominicans who currently work or will work in the private sector; b) to match U.S. educational programs with Dominican personnel requiring skill upgrading; and c) to build lasting ties between the educational and professional communities in the United States and the Dominican Republic.

The project will directly involve the private sector through the implementing agency, the National Council of Businessmen. Under this project, AID will finance scholarships related to the USAID country strategy in three areas: a) long-term Masters training for mid-level personnel in the technical, professional and managerial fields required for the growth of export firms; b) Ph.D. or Masters training for a limited number of professors to upgrade university departments in business-related fields; and c) specific private sector requests for short-term courses, seminars and observational tours. The advantage of this project design is the flexibility it provides in being able to meet private sector training needs through the provision of a mix of program lengths, fields, and specialty areas.

C. Indicators of Project Success

1. End of Project Status

Upon completion of the training activities financed under this Project, the following will have been accomplished:

- a. Improved productive capacity and expanded export marketing in the participating enterprises.
- b. Improved graduate-level curriculum in the priority areas of study related to private-sector economic development.
- c. An improved and more effective private sector communication network to plan and coordinate training requirements, both on an individual firm level and at the national level.

2. Outputs

The project will have the following training outputs:

- a. An estimated 55 private sector employees trained at the Masters level in the U.S. or in third-countries.
- b. An estimated 8 university faculty members trained at the Ph.D. or Masters level in the U.S.
- c. An estimated 250 private sector employees trained in short-term U.S. or third-country courses and/or observational visits.

TABLE 2

	<u>Project Output by Year</u>					
<u>Training</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>Total</u>
Graduate Level						
M.A./M.S.	8	22	25			55
Ph.D./M.A./M.S.	3	5				8
Short-Term	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>250</u>
	61	77	75	50	50	313

D. Project Components

1. U.S. Graduate Training

The Development Training Project will respond to the need for mid-level personnel in the export-oriented enterprises through formal graduate degree training in appropriate U.S. universities or possibly selected third country institutions such as INCAE for some specialties. Two levels of graduate programs will be provided under the Project: a) Masters programs for technical, managerial and professional personnel of private sector

export-oriented enterprises; and b) PhD or Masters programs for key teaching and research faculty members of three universities to upgrade existing graduate degree programs in the D.R. to meet the future need for professional personnel.

a. Masters Degree Training

i. Objective

The training will be designed to respond to the need for appropriately trained mid-level personnel in the areas most directly involved in the shift of the Dominican economy from import substitution to export promotion, and to meet the need for expertise to establish and maintain the quality and quantity of production required to improve the capability of Dominican businesses to participate in the world market on a sustained basis. The project will address only the constraints of the private sector that are identified as being knowledge-based. General constraints such as inferior infrastructure and international policy may be affected indirectly, in the long term, by individuals returning from training under the project. However, the training offered under the Project will be more specific and closely related to operational level requirements of export-oriented business.

ii. Selection Criteria and Areas of Study

Proposals for training will be for persons already working permanently for a sponsoring institution. Candidates for training should be nominees who will have a "multiplier effect" upon completing training and returning to work. For the Masters Degree programs, standard criteria for academic eligibility will be applied, i.e. the candidate has to meet the requirements of the training institution involved. Criteria derived from the findings of the demand analysis done specifically for this project will be followed in allocating scholarships. The criteria pertinent to the two-year Masters Degree component are detailed in Annex D.

Requests for Business Administration training will be reviewed in terms of the specialty area to avoid duplicating efforts being made in the AID-financed Graduate Management Training project with the Catholic University (UCMM). The intention of the Development Training project is to supplement the in-country training in specialty areas such as finance and international trade. Further, the MBA's trained under this project will be persons with professional experience in business before entering training, and therefore are from a section of professional manpower quite different from the young students in the Graduate Management Training Program at UCMM.

Initial decisions concerning the selection of candidates and areas of specialization will take place during the first four months of project implementation after the project staff and selection committees are in place. Based on information gained up to the present time, the Masters Degree training will be programmed approximately as shown below.

TABLE 3

Illustrative Programming
Masters Degree Training

<u>Fields of Study</u>	<u>1st yr</u>	<u>2nd yr</u>	<u>3rd yr</u>	<u>4th yr</u>	<u>5th yr</u>	<u>Totals</u>
Production:Textile/other						
Engineering		3	3			6
Strategic Planning and Marketing	1	3	2			6
Agro-industrial Technologies	1	2	3			6
Cost Anal. & Control	1	3	4			8
Industrial Engineering/Quality						
Control	1	2	3			6
Food Technology	1	3	2			6
Agricultural Production/ Animal						
Production	1	2	3			6
Finance & Banking	1	2	3			6
Computer Information Systems	1	2	2			5
T O T A L S	8	22	25			55

b. University Faculty Training

1. Objectives

Under this project, three of the strongest private universities, i.e. INTEC, UNPHU and UCE, will have the opportunity to select and send, for graduate studies at the Masters and/or Doctorate level, from two to four professors from departments that offer graduate training in specialties needed by the private sector. The persons selected will be expected to study in programs of from one to three years for Masters and/or PhD degrees in areas determined by the University academic and administrative authorities to be needed most to strengthen a particular department that is within the Project priorities. Upon their return to the universities, they are expected, through their own expertise and leadership, to assist the university to build the range of expertise necessary to upgrade the university programs in their respective fields. They will be crucial elements in updating the curricula and in the development of the teaching, technological and research capability necessary for high quality programs through which the need for technicians, managers and professionals can be met by the Dominican universities.

ii. Selection Criteria and Areas of Study

The academic training needs of university departments must agree closely with the needs expressed by private sector businesses and industries in the demand survey conducted during the intensive review. Final selection of specialties to be supported under the project will be done through official project selection procedures early during project

implementation. An illustrative program based upon current information and project priorities is shown in Table 4.

TABLE 4
Illustrative Programming
PhD and/or Masters Degree Training
for University Faculties

<u>Proposed Fields of Study</u>	<u>1st Year</u>	<u>2nd Year</u>	<u>Total</u>	<u>UNIVERSITY</u>
Computer Information Systems	1	1	2*	UNPHU
Business Administration		1	1*	UNPHU/UCE
Industrial Engineering	1	1	2*	UCE
Industrial Production		1	1**	INTEC
International Finance/Electro-Mec. Eng.	(1)	(1)	(2)***	INTEC
Marketing Management	1		1*	INTEC
Construction Management		1	1**	INTEC
T O T A L	3	5	8	

* Masters-level candidates

** PhD-level candidates

*** Alternate INTEC PhD candidates (To be programmed depending upon availability of funds).

INTEC and UNPHU have Masters Degree programs; UCE offers graduate-level courses in some areas and wishes to establish an appropriate Masters Degree program. INTEC has professors with Masters Degrees from foreign institutions and is very interested in upgrading at least five professors to the PhD level in specialized areas that will strengthen specific departments. UNPHU and UCE will probably not have professors who will be able to complete the PhD within three years. They do however, have candidates for strong Masters Degree programs in the U.S. that will contribute to strengthening the departments that serve the private sector when they return from training. The Rectors believe, in the case of UCE and UNPHU, that in many cases the Masters level training is more appropriate for their situation than the PhD Degree. Both UNPHU and UCE are particularly interested in specialized areas of the Masters in Business Administration programs. UCE intends to strengthen and expand industrial engineering, specifically as related to production in Dominican enterprises, for this reason, they are interested in engineering training in the U.S. for two or three professors. Thus, for planning and programming purposes, the Project will anticipate the need for training of four or five PhD persons for INTEC, two to four Masters Degree persons for UNPHU and two or three Masters Degree persons for UCE. Since financial resources are limited, priorities will be determined after analyzing the departmental academic need situation within each University during the first few weeks of project implementation. (See Annex E for additional information concerning the need and demand for university faculty upgrading).

2. Short-Term Training

a. Objectives

There is strong interest on the part of the Dominican private and public sectors to learn export-related skills from the U.S. and other successful exporting countries. The findings of a demand analysis supported the need for both long and short-term training; however, 80% of the firms that responded expressed greater interest in short-term training (1 to 6 months) to immediately upgrade the capabilities of their employees.

To respond to this desire, short-term U.S. and third country training for an estimated 250 persons in the private sector or in private sector related institutions will be programmed and tailored to the requirements of the specific job, enterprise, and/or private sector need. Training will include, but not be limited to, short non-degree courses, formal courses, seminars, observational tours, internships, and conferences. Group training programs will also be designed to respond to sector or area specific training needs.

b. Selection Criteria and Areas of Study

Candidates selected for the intensive short-term skills upgrading will be regular employees, managers, or owners of export-oriented enterprises. The criteria for selection will focus on identification of skills, knowledge or abilities needed to improve the productivity of the business or industry sponsoring the trainee. The general criteria for participant selection will be: 1) need as identified by the Project and the sponsoring business; and 2) appropriate qualifications of the proposed trainee.

Heavy concentration of training demand is expected in technical and administrative training for agribusiness, agroindustry, light industry, and banking services. The project training staff and U.S. Training Contractor will conduct annual surveys with private sector business to prioritize the training needs.

Training will be directed to specialized skills training in areas of critical importance to Project objectives with emphasis on courses such as those offered by the World Trade Institute, Cooperative Agribusiness Management, Professional Management Associates, International Marketing Institute, and the American Management Association to name a few. Observational visits by individuals and/or groups will also be arranged with U.S. private businesses, public agencies, schools, farms, research centers, and/or educational facilities for practical experience. Placements may be in academic or non-academic settings. (See Annex D for additional detail).

3. Partners of the Americas

a. Objectives

Partners of the Americas, a private voluntary organization working to improve the quality of life in the Americas, will carry out a special training program under a sub-grant agreement with the CNHE. In the Dominican Republic, Partners of the Americas works in conjunction with its partner state, Michigan. Partners will receive \$300,000 for training activities over a three year period. A minimum of 4 Masters level and 30 short-term trainees will be trained over a three year period.

Partners of the Americas will arrange tailored course of study and observational visits in a variety of training areas. Universities, community colleges, private businesses, professional associations, and cooperatives are all part of the Partners network. These resources will be brought to bear to provide training to Dominican professionals, managers and technicians. The Partners of the Americas is a flexible and low-cost program. For example, lodging in private homes will be utilized for short-term training; private industry will provide short-term training experiences without the cost of tuition; and many universities and colleges will provide special in-state tuition rates to participants.

As a first step in this program, Partners will form an Advisory Committee. The purpose of establishing this committee will be to involve a geographic and professional cross-section of Partner resources in the Dominican Republic to define the operational parameters of the training program. The Advisory Committee will: (1) establish a plan for publicizing and promoting the training opportunities to be made available by the program; (2) define the specialized areas for training, pre-screen and select candidates; and (3) assess the impact of the training.

b. Selection Criteria and Areas of Study

The areas for training will be the same as those stated under the MA and short-term training sections; the selection criteria to be utilized is detailed in Annex D. The Partners will be responsible for participant placement and monitoring in accordance with Handbook 10 procedures.

4. Supporting Activities

a. English Language Training

An in-country pilot English Language Training Program (ELT) for long-term training participants was initiated in 1985 with financial support from AID, technical assistance from the American Language Institute/Georgetown University, and a host country institution: the Dominican-American Cultural Institute (ICDA). The purpose of the intensive in-country ELT Program is to train A.I.D. participants at beginning and low

intermediate levels to an English language proficiency equivalent to a 450-475 TOEFL* for twenty weeks, before departing to the United States for long-term academic training. This pre-academic program operates under a set of curriculum guidelines with well-defined performance objectives. Instruction is intensive; i.e., five hours per day, five days a week with a curriculum that is balanced with the basic skills: reading, writing, listening, and speaking. The training course consists of 500 hours of English instruction during a 5 month (20 weeks) period. Students are tested and enrolled in two levels according to their initial proficiency. Based on the cost-effectiveness, prior success, and the pre-screening value of the program, long term participants needing ELT will be required to attend this program. Intensive, in-country ELT will not be programmed for short-term trainees. (See Annex F for additional detail on the ELT program.)

b. Special Programming

Participants being trained under the project will be involved in a number of specially programmed activities as described below:

i. Educational Counseling: An educational counseling office, established by USAID in 1984 with the ICDA, will provide resource information about U.S. academic institutions to participants. Trained counselors provide orientation to participants prior to their trip to the U.S.; outreach services to major cities outside the capital; testing services; and computerized information from the Foreign Student Information Clearinghouse (FSIC). Students recruited for AID-financed scholarships will be requested to visit the center to obtain the FSIC computerized information and to research and identify appropriate U.S. universities for the Masters level training to be undertaken in this Project.

ii. Orientation Programs: Pre-departure orientation will consist of a personal interview with the Training Officer of the U.S. contractor, followed by a 20-minute video-tape cassette on pre-departure procedures written, prepared and professionally recorded by the USAID/DR Training Office. The objectives, requirements, and the extent of the training program, as well as the role the participant is expected to play upon return are discussed during the interview. In addition, a special program will be included as part of the ELT sessions during which a well-known Dominican sociologist who has studied and lived in the U.S. presents a

* TOEFL = "Test of English as a Foreign Language" is a test that is widely accepted among U.S. colleges and universities.

briefing and discusses issues such as culture shock, competitive academic work, and the importance of family support. Presentations by former students and perhaps a psychologist will be programmed and tapes on life in the U.S. from the USIS film library will be shown to the students. Once students depart for the U.S. they are normally programmed for ten to twelve weeks of academic orientation before starting classes in their selected field of study.

iii. Enrichment Programs: During long-term training in the U.S. short observation trips, conferences, and seminars to learn about the American way of life will be funded by the USAID during vacation periods.

iv. Exit Programs: The U.S. Contractor staff will de-brief returning participants as part of the follow-up plan. An exit interview will be conducted with long-term participants which will include questions about the value of the training they received, their feelings on life in the U.S., their attitudes toward U.S. political and economic systems, and other concerns they might have as a result of their training in the U.S.

c. Evaluation and Follow-up

In order to measure the effectiveness of the individual training programs, as well as the significance of the overall training in the context of the Project goal, an evaluation and follow-up activity will be carried out. Each year a follow-up survey will be conducted to ensure that the demand analysis is accurate. The objectives of the activity will be to: 1) update the type, duration, and level of demand for training in the private sector; 2) discuss the factors that have influenced this level of demand; 3) review the level of support the private sector is willing to provide training participants; and 4) suggest any modifications.

The annual activity will also deal with post-training follow-up and will assess the impact, relevance and utilization of the training on job performance. The follow-up activity will involve a survey of participants to gather information related to satisfaction of the quality of the training program and to how well it met the needs for which it was designed. This information will be valuable on a short-term basis for programming and recommending specific courses to firms and potential trainees. Project evaluations will assess the application of the training to more effective performance; professional advancement or added responsibilities within the firm as a result of the training; professional improvement in terms of business contacts and interactions; and the impact the participant has on enhancing the productivity and/or exports of the firm.

E. Cost Estimates and Financial Plan

The AID contribution to this five-year project is \$7,000,000 in grant funds. The host country contribution is US\$2,403,000 equivalent in local currency. Tables 5 and 6 summarize the source and use of these funds for the project by component. (Annex G provides a detailed cost table by activity and by year.)

1. A.I.D. Costs (\$7,000,000)

a. Training (\$5,461,700)

The training of participants within the project will be implemented in three manners: a U.S. institution will administer the bulk of long-term and short-term training in the U.S. and third countries; a local institution will provide in-country English language training for long-term training participants; and Partners of the Americas will administer a smaller, more specialized training program.

The direct costs associated with the training administered by the U.S. institution are estimated at \$3,185,700 for long-term and \$1,832,000 for short-term training. These costs include tuition, maintenance, books, insurance, and other direct costs generally associated with participant training and exclude the institutional contractor's administrative/fee costs. Cost estimates are detailed in Annex G.

In-country English language training for long-term participants will be obtained through a grant with a local institution, the Dominican-American Cultural Institute (ICDA), and costs are estimated at \$144,000.

The balance of training will be administered by Partners of the Americas, through a sub-grant of project funds by CNHE. This is fixed at \$300,000.

b. Administrative Costs (\$1,453,300)

Administrative costs are those costs associated with the U.S. institutional contractor (\$1,044,000) and those associated with supporting CNHE (\$409,300). These cost estimates are also detailed in Annex G.

c. Evaluation and Audit (\$85,000)

Costs of evaluation and, if required, services of a non-federal auditor are estimated at \$85,000

2. Host Country Costs (\$2,403,000)

a. Airfare and Salaries (\$2,100,000)

Participating enterprises, firms, and universities will be required to finance the international air fare for each participant they are sponsoring for training. Salaries are also required to be paid for employees while in training status as well as the cost of a replacement employee, if required. These costs are estimated at \$2,100,000, based on average roundtrip airfares of \$800 and average salary costs of \$500/month.

b. Selection Committee (\$30,000)

A committee made up of representatives of the Dominican private sector will meet five times per year for the purpose of interviewing scholarship finalists. Their salary costs are calculated at \$30,000. For purposes of Table 5, these costs are shown under the CNHE component.

c. Publicity and Publications (\$50,000)

CNHE will utilize their publication network as well as commercial newspapers and journals for project requirements. These costs are estimated at \$50,000 and are shown under the CNHE component.

d. Additional Services (\$125,000)

Additional services include in-kind contributions of CNHE, the American Chamber of Commerce, and other Associations which contribute staff time and resources to participant recruitment and selection. This is estimated at \$125,000 and is included in the CNHE component.

e. Rent and Utilities (\$98,000)

The cost of office space provided to the project by CNHE is estimated at \$98,000, and includes costs such as rent, utilities, and maintenance. These costs are included in Table 6 under the CNHE component.

TABLE 5
SUMMARY FINANCIAL PLAN
BY SOURCE AND USE OF FUNDS

USE OF FUNDS	SOURCE OF FUNDS				
	AID			HC	TOTAL
	L/C	FX (US\$ 000's)	TOTAL		
1. <u>Training</u>					
Long-Term	--	3,185.7	3,185.7	--	3,185.7
Short-Term	--	1,832.0	1,832.0	--	1,832.0
English Language Training	144.0	--	144.0	--	144.0
Partners of the Americas	--	300.0	300.0	--	300.0
Air Fare/Salaries	--	--	--	2,100.0	2,100.0
Subtotal	144.0	5,317.7	5,461.7	2,100.0	7,561.7
2. <u>Administrative Costs</u>					
U.S. Institutional Contractor		1,044.0	1,044.0	--	1,044.0
CNHE	271.5	137.8	409.3	303.0	712.3
3. <u>Evaluation/Surveys/Audit</u>	20.0	65.0	85.0	--	85.0
TOTAL	435.5	6,564.5	7,000.0	2,403.0	9,403.0

TABLE 6
PROJECTED DISBURSEMENTS OF AID FUNDS
BY YEAR

COMPONENT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
	(US\$ 000's)					
1. <u>Training</u>						
Long-Term	220.0	836.0	1,331.1	798.6	--	3,185.7
Short-Term	300.0	330.0	363.0	400.0	439.0	1,832.0
English Language Training	42.0	50.0	52.0	--	--	144.0
Partners of Americas	100.0	100.0	100.0	--	--	300.0
Subtotal	662.0	1,316.0	1,846.1	1,198.6	439.0	5,461.7
2. <u>Administrative Costs</u>						
U.S. Inst. Contractor	95.0	255.0	375.0	255.0	64.0	1,044.0
CNHE	122.9	70.7	75.2	70.7	69.8	409.3
3. <u>Evaluation/Surveys/Audit</u>	7.5	7.5	35.0	5.0	30.0	85.0
TOTAL	887.4	1,649.2	2,331.3	1,529.3	602.8	7,000.0

F. Methods of Implementation and Financing

Table 7, below, illustrates the methods of implementation and financing to be utilized. The methods of financing are preferred methods of financing under the Administrator's Payment Verification Policy Statements and represent no deviation from the Mission's general assessment of financing policy and procedures. Therefore, no further justification of the methods of financing is required.

TABLE 7
METHODS OF IMPLEMENTATION AND FINANCING

<u>Method of Implementation</u>	<u>Method of Financing</u>	<u>Approx Amount</u> (US\$ 000's)
<u>Training</u>		
Direct Contract- profit, non-profit, or educational institution	Direct Pay	6,061.7
Direct Grant- non-profit	Direct Pay	144.0
Host Country Sub Grant- non-profit	Direct Pay	300.0
<u>Administrative Costs</u>		
Host Country Contract (CNHE local currency support costs)	Direct Reimbursement	325.3
USAID Procurement- P.O.	Direct Pay	84.0
<u>Evaluation/Surveys/Audit</u>		
Direct Contract- profit or non-profit	Direct Pay	<u>85.0</u>
TOTAL		<u>7,000.0</u>

In regard to training, a sub-grant is the projected method of implementing the services of Partners of the Americas. This will enhance CNHE's involvement with Partners. Because of CNHE's limited experience with USG and AID contracting procedures, AID will provide guidance and monitor the contracting procedures followed. The local currency portion of CNHE administrative costs financed by AID will be implemented through a standardized disbursement and accounting procedure utilized by the Mission with other grantees. The services of a local CPA firm will be obtained to review the adequacy of CNHE's accounting and disbursement systems. All other AID-funded project costs will be implemented through AID-direct contracts.

No requirements for use of non-federal auditors can be identified at the planning stage of the project. However, funds are programmed within the Evaluation/Audit component of the project to meet any needs for non-federal audit services that may arise.

IV. SUMMARY OF ANALYSES

A. Technical Analysis

The technical analysis is based on a Demand Analysis carried out by the Superior Agriculture Institute's Center for Rural Development Management (ISA/CADER). The study was designed to estimate the demand for training of managers, professionals and technicians by the private sector in the Dominican Republic, specifically by current or potential exporters of non-traditional products. A survey methodology was utilized and data was collected by surveying 116 firms in the agribusiness, light industrial, free trade zone, and financial sectors. Respondents were at the director or sub-director level or chiefs of personnel. The analysis concentrates on presenting: (1) the demand for training in the non-traditional, export-oriented industries; (2) the rationale for selecting various short-term and long term programs; and (3) the justification of the project based upon the information available within the cognizant professional community and their willingness to support the project's efforts. (See Annex H for the full study.)

1. Level of Demand

The proposed project is designed to address the training needs of the non-traditional export-oriented sectors to support attempts to diversify through private sector initiatives. The demand study reveals that over 54% of the companies surveyed consider lack of trained personnel a severe constraint to growth of a diversified, export-oriented private sector.

The group of current and potential exporters in the Dominican Republic includes 1,427 firms with total employment of approximately 124,690 people. Statistical sampling of the relevant sectors of the economy revealed that 60% of the companies expressed a need for receiving training for employees. Smaller firms indicated less likelihood of participation than did medium and larger firms. The results showed that, on average, firms required 5.37 employees trained in administrative, professional or technical areas each year. The annual demand for trained individuals therefore, is approximately 7,660 of which only 18% is currently being filled.

2. Demand for Short-term Courses and Long-term Courses

The project is designed to provide both short-and long-term training over a range of subjects oriented towards the non-traditional export-oriented sectors. Analyses revealed that the demand for short-term training was 79% of the total demand while the perceived need for long-term training for Masters or PhD programs was 21%. The project has been designed to approximate those proportions although it will impact only 3.2% of the total training requirement. The greatest demand for short-term training is in the technical and administrative areas while demand for long-term training is in the professional and administrative areas. (See Annex H, page 9).

In both long and short-term training, the strongest requirement is for courses in marketing, computers and information systems management. For short-term courses, the need is also great for accounting while for long-term courses business administration training is required. The project design has incorporated short-term and observational courses in marketing, product design, quality control and management to address the demand. The most effective implementation of the long-term training is provided by sending participants to U.S. universities where state-of-the-art technologies are passed on to the Dominican students and where the selected Masters and PhD candidates are able to return to their sponsoring institutions in the Dominican Republic and upgrade the level of knowledge available to their business, organization or university.

3. Level of Support

The counterpart contribution to this project is US\$2,403 million in local currency equivalent. The nature and extent of the willingness of businesses to support the activity is, therefore, crucial to the successful implementation of the project. Indication of willingness to provide support ranged from 58% of the potential sponsoring organizations who said they would continue to pay the salary of a studying employee to 92% willing to provide employment upon the candidate's return. Sixty-two percent indicated a willingness to pay the travel costs for sending their employees to training sessions.

4. Conclusions

The project, as it has been designed, is structured to successfully focus on the critical issues of providing trained professional, managerial and technical persons consistent with the expressed needs of the export-oriented private sector. The mix of short and long-term training is appropriate to the Dominican context. The concentration on U.S.-based training allows for the training, which is not available locally, to be carried out in a timely manner so that the training received can quickly be assimilated into the sponsoring businesses' operations. Duplication of U.S. training capability in the Dominican Republic would be prohibitive in terms of economic investment.

B. Institutional Analysis

1. Introduction

Three alternatives were considered in the selection of an institution to implement the project. The alternatives were: 1) the USAID/DR Training Office would implement the project with the assistance of an AID direct contract with a U.S.-based organization for screening, selection and placement; 2) the USAID would implement the project directly using the services of S&T/IT to handle placement of students; and 3) the USAID would grant funds to a local, private institution concerned with business

development. This institution would then contract a US organization to handle certain programmatic and technical aspects of the project's implementation such as placement and monitoring.

The first alternative, i.e. the direct utilization of the USAID Training Office with a U.S. Contractor was rejected. The Project Development Team considered that while the USAID had the basic management capability and expertise in training, it is already overloaded with the amount of training it now processes under our on-going project portfolio and special training projects such as LAC II and PTIIC. The Training Office would have to be expanded considerably to be able to manage another major training project. This alternative would offer the USAID more control over the programming and placement of participants, but the project is designed as a private sector effort. The USAID, even with the assistance of an outside contractor, would be hard pressed to assume identification and promotion efforts as being representative of the private sector itself. Further, AID is faced with severe administrative and personnel constraints in an era of budget cuts and reduced O&E expenditures. Based on recent security recommendations, the USAID has had to cut back on the presence of additional U.S. staff assigned directly to the USAID. Also, staff ceiling levels have precluded the hiring of additional local staff.

The second option, that of using S&T/IT to handle all placement and the USAID Training and HR Offices to implement the project directly, has all of the drawbacks discussed above, and in addition would have the disadvantage of not having the contractor to perform the in-country training activities that are necessary to the success of the Development Training Project. Field support involving in-country recruiting, selection, orientation, ELT programming, preparation of all required documentation, travel arrangements, follow-up and reporting information, will be required. Since the project requires almost constant contact with the host country institution and in order to provide continuity in managing participant training, it is in our best interest to use a Contractor that can perform both U.S. and field office operations.

The extent to which the contractor's U.S. administrative costs are more expensive than S&T/IT or vice versa will be analyzed to assure comparability of training contractor costs with those of S&T/IT. An estimated cost of \$400 per trainee per month has been budgeted, which includes both U.S. and field office operations. Approximately 50% of this amount is intended to finance U.S. home office, participant programming, administrative/overhead costs and 50% is calculated to cover the costs of an intermittent contract training specialist/advisor, local training staff and other field office costs. Based on this assumption, contractor administrative costs will be comparable to charges that would be made by S&T/IT.

In examining the third alternative, utilization of a local private agency, the USAID conducted an analysis of three potential grantees to determine their likely performance in implementing the Development Training

Project. The institutions evaluated were the National Council of Businessmen, the American Chamber of Commerce, and the Educational Credit Foundation of APÉC. Some of the desirable characteristics the USAID was looking for in an implementing institution were: 1) it should be representative of the private sector with a prestigious status in the business and industrial community; 2) it should be in a strong position with a voice that speaks authoritatively for the private sector community; 3) it should have a Board of Directors broadly representative of the private sector and a professional staff engaged in serious work for which they have earned a reputation for professional excellence; and 4) finally, the organization's objectives should be focused on economic development and the central role of the private sector.

The following additional factors were considered to determine the likely performance of the institutions referred to above in implementing the Development Training Project. These factors were: 1) the relationship between the institution's purpose and the purpose of the project; 2) the institution's contacts with and representation of the private sector; 3) the ability to determine the training needs of the private sector, and identify candidates; 4) knowledge and experience in education, training and familiarity with AID's participant training process; 5) amount of investment needed to implement the project. (See ANNEX I for a list of questions asked of potential grantees).

2. Examination of Potential Grantees

a. The National Council of Businessmen (CNHE)

CNHE was founded in 1920. It is a private, non-profit umbrella organization of 46 business associations and 66 cooperating enterprises. Its objective is to promote economic development through private initiative. It lobbies for economic and trade policies that promote private investment and economic growth in the Dominican Republic. It has a number of strategies which it pursues to achieve its aims and objectives. Among these are: 1) to study problems affecting the national economy, suggest and promote the applications of corrective measures; 2) collaborate with the GODR in solving national economic problems; 3) defend the rights of private initiative, free enterprise, private property and just compensation for any expropriation of property for public use; 4) to represent and defend the rights of its members and coordinate the activities of the business sectors in the country; and 5) to further the understanding of employee-employer relationships as provided by law, improve conditions for both parties, increase productivity and fortify the establishment of social justice.

In terms of organizational structure, CNHE consists of a Board of Directors which, every two years, appoints an eleven-member Executive Committee. The Committee is responsible for implementing policies made by the Board. Daily operations are carried out by an Executive Director, who works closely with the Board of Directors and the Executive Committee. CNHE has a permanent staff of sixteen persons. The CNHE receives 38 percent of its

funding from fees paid by association members and 62 percent from the contributions of the cooperating businesses. The institution is currently operating at a surplus.

CNHE has never implemented an AID project and is not familiar with AID's procedures, regulations and financial management. A preliminary assessment of their internal control procedures found them to be adequate and based on sound business management practices. CNHE has also never been involved in training activities in-country, in third countries or in the U.S. It has no experience in the technical mechanics of training (recruitment, selection, placement, monitoring and evaluation of students). However, they accurately predicted that their member organizations and businesses would be interested in training in export marketing, industrial processing, production technology, business contract negotiations and quality control, all areas confirmed by our Demand Assessment (See Technical Analysis).

On the positive side, the CNHE is a very well respected, highly placed most country organization. It is one of the few Dominican organizations that is truly representative of the private sector. It is financially self-sufficient and member supported and has broad ties to the target population. It is a well-administered organization with a strong executive director supported by its Board of Directors. Most importantly, the purpose of the CNHE coincides with that of the project: namely to promote and strengthen private enterprises in the Dominican Republic. Its participation in the project would lend a positive image and high credibility.

b. The American Chamber of Commerce (AMCHAM)

The American Chamber of Commerce is a private, non-profit institution founded in 1923 to stimulate trade and mutually beneficial investments between the Dominican Republic and the United States. It has a membership of 1,500 companies and is recognized as a source of possible contacts and leads for foreign businesspersons. However, it is only one of the 46 business associations and 66 cooperating enterprises that belong to the National Council of Businessmen (CNHE) and, therefore, does not have as much influence and outreach capability as the latter.

The Chamber offers the following services: 1) consultation on laws, decrees, regulations and standards for doing business in the Dominican Republic and the U.S.; 2) defense of members' interests with regard to prices, taxes, labor legislation, markets, investment opportunities and U.S. trade measures; 3) access to the Caribbean Basin Information Network (CBIN) on trade and investment opportunities. Also, the AmCham conducts monthly luncheons in which the invited speakers are high level representatives of the public and private sectors of both nations; and periodic seminars by specialists in government and the private sector on issues important to business. Finally, it distributes several publications related to investment in the Dominican Republic.

The AMCHAM is managed by an Executive Director and seven staff members. It receives funding from membership dues, publications and fees from seminars. It is currently operating at a surplus. Its main office is located in Santo Domingo with branch offices in Santiago, La Vega and San Pedro de Macoris. Future plans include expansion to Puerto Plata and La Romana.

The AMCHAM has experience with both A.I.D. and participant training. It implemented a small grant to be used for short-term, private sector training; over three years, 24 participants received training in such areas as export marketing and port management. However, the AMCHAM had problems in implementing this grant. Recruitment, selection, processing and placement was slow. The difficulty was caused primarily by the lack of a project manager.

The primary factor which would limit AMCHAM's ability to implement the Development Training Project is that it is a organization that represents only a small proportion of the Dominican private sector.

c. The Educational Credit Foundation of APEC (FUNDAPEC)

FUNDAPEC is an autonomous, private educational credit institution which makes loans to poor Dominicans to assist them with tuition and maintenance costs. It is the only institution in the Dominican Republic operating a student loan program. It provides educational credit to a wide variety of students mainly at the technical level but also at the professional and administrative level. Loan recipients, depending on the source of funds, may study in-country or aboard and pursue degree (technical or university) or non-degree studies. It grants short, medium or long-term loans. FUNDAPEC administers the scholarship funds of 18 Dominican institutions. These institutions deposit funds with FUNDAPEC which then loans the funds to employees or employee's children.

FUNDAPEC administers the AID-financed Human Resources Development Project. This \$6.4 million loan and grant project is designed to expand training opportunities to Dominicans interested in studying in priority areas in vocational/technical programs or in management training programs for small and medium-sized enterprises. These activities are financed via sub-loans to individual students for the in-country training. The project also provides some training grants for vocational/technical faculty and commodity procurement loans to vocational/technical institutions. Over the life of the project, approximately 4,000 students and 200 small business managers will receive loans and 40 faculty members of vocational/technical institutions will be trained in the U.S.

To execute its activities, FUNDAPEC relies on a staff of 105 people including economists, accountants, computer operators, cashiers and education specialists; 30% of the staff are professionals. It receives revenues from interest on loans and fees from administering corporate and university portfolios. It also receives stipends from its parent organization - APEC.

FUNDAPEC has experience with participant training through the administration of its loan portfolio and has experience with AID procedures and policies through its implementation of the Human Resources Development project and more recently the LAC II Training Initiatives. However, it has been and remains, essentially a private edu-credit bank which concentrates on providing loans to students for in-country training. More importantly, FUNDAPEC, precisely because of all its current training and project implementation responsibilities, is administratively over-burdened at the present time. Although the executives of FUNDAPEC are interested in implementing the project the USAID does not feel that it would be appropriate at this time. A financial audit is currently being conducted of FUNDAPEC. Preliminary information indicates that the organization does not have the capability to absorb an additional \$7 million project without severely overtaxing the present structure of FUNDAPEC.

3. Conclusions

Based on the results of the Institutional Analysis carried out by the USAID it appears that the most viable institution to implement the Development Training Project is the National Council of Businessmen (CNHE). In carrying out the analysis the USAID heavily weighted two factors: 1) understanding of and ability to reach the business community, with particular emphasis on the institution's linkages with agro-industry and light manufacturing business; and 2) the relationship between the institution's purpose and the purpose of the project. On both of these scores the CNHE rated highest of all three agencies. This project has been designed to respond to the short-to-medium term needs of the private sector for trained manpower at the professional, managerial and technical level through a variety of training mechanisms. The organization with the best contact with and respect of the Dominican private sector is CNHE. (See ANNEX J for CNHE organization chart and member organizations and incorporation documents.)

All institutions surveyed would need additional staff and administrative assistance to carry out the project. The project will provide the institution the necessary technical assistance, temporary staff, equipment and materials necessary for effective and efficient project implementation. This will be provided by a U.S. Contractor. This project is not intended as an institutional development project; USAID is not interested in creating a new training organization. However, we are interested in strengthening the private sector's own ability to determine what its training needs are and to match that with training opportunities. At this time the CNHE is administratively the strongest and most well-run organization considered. It has the capacity to grow and is willing to bring on the additional manpower required to set up a project office. CNHE's main role will be to serve as an intermediary with the private sector; to inform them of the training opportunities; to recruit applicants; and to serve on the selection committee and to implement the continuous demand and follow-up activity. Assuming successful results, the CNHE will provide a communication network to plan and coordinate the training requirements of the private sector.

C. Social Soundness Analysis

1. Introduction

The Social Soundness Analysis is focused on the compatibility of the project within the Dominican socio-cultural and economic environment. The conclusions discussed in this section are based on social feasibility studies undertaken for other major USAID human resources projects, as well as private sector and agricultural sector training projects with the same basic purpose as this project, i.e. to strengthen the human resources needed for Dominican private sector development through a program of long- and/or short-term training activities. The social and academic feasibility of the university-related training activities is based upon the results of interviews of the Project Manager and USAID Education Advisor with the Rectors and/or Vice Rectors of the universities being considered, i.e. UNPHU, INTEC, and UCE. In-depth interviews were also arranged with two independent social scientists to get their professional opinions concerning social impact of the proposed project activities. Further, key questions asked and interviews conducted during the Institutional Analysis weigh directly on the social feasibility of the project (See Annex I). Finally, the results of the Demand Analysis provides information directly related not only to the feasibility of the project design and preliminary training plans, but to the socio-cultural and economic feasibility as well. (See Annex H).

2. Project Beneficiaries

The direct beneficiaries will be the middle-level personnel currently working within private, export oriented industry, agrobusiness, banking and export-related service sectors; and university staff within faculties that prepare students for employment in professional, technical and managerial careers in private sector. The indirect beneficiaries will be society as a whole and the labor force of the country, including many of the poor who will find increased employment opportunities as the economy is expanded and employment opportunities are increased as a result of increased efficiency, expansion and diversification.

3. Social Constraints

a. Short-Term Training

No social constraints are anticipated in providing the short-term training for the technical, managerial and professional personnel of the private sector.

b. Master's Degree Training for the Private Sector

Certain economic constraints are anticipated for long-term trainees that have social implications, e.g. many of the responsible owner/managers of private sector businesses have indicated that it will be difficult to provide their long-term trainees (two years) with a full salary

during training. This could result in serious social/economic problems for the participant and his/her family during the training period (as well as for an extended time after the training, should the participant borrow money to maintain the family while he/she is away studying). This economic constraint would also convert itself into a social problem during the two-year training period because participants would not be able to see their families for two years. Graduate students who are studying under tight financial support conditions will find that a socio-economic related stress situation develops for the graduate student in the U.S. and for the immediate and extended family that remain at home. These factors will be taken into consideration in orientation of the trainees, and all assistance possible will be afforded to them by project support to counteract and/or avoid predicted problems. Careful consideration will also be given to the issue at the time of trainee selection and differentiation may be allowed in the counterpart requirement, e.g. trainees without families or other dependents may have no problem, but those with families should receive adequate support so that personal social problems during and following the two-year training span will be avoided to the maximum extent possible.

c. University Faculty Training

There are at least two types of social constraints that must be dealt with for the university faculty training. First, the issue discussed above with respect to long-term training is also a very real issue in arranging two-year MA or three-year Ph.D. level studies for key university faculty. The problem for university administration in this case is at once technical and economic, but it is also a socially-related problem.

There is a very limited number of individuals from whom to choose for the highly desirable long-term study opportunities. Thus, the university must first consider replacement of the person for a two- or three-year period. This alone is costly, both in terms of money and in terms of possible loss in quality of teaching while the professor is away. Also, the university must consider the project requirement that the salary of the professor must continue during the training period and that the university must pay the cost of air transportation.

Each university wishes to participate in the three-year PhD training program, but the cost is high. The economic/technical/academic situation causes them to prefer to send younger professors who will contribute to the strengthening of the university on return from studies. A compromise may have to be considered, e.g. the university would prefer two-year study programs over three-year programs for their key faculty, with the possibility of an additional one year some time later to attain the doctorate level degree. This alternative is not viable in this project because of the 5-year time constraint. However, for several candidates, a terminal two-year Masters Degree Program will be appropriate instead of the three-year PhD. Thus, about half of the university professors will go for two-year Masters study, and half for three-year PhD's.

Careful consideration was given to the university staff training component in the feasibility discussion with university Rectors and with two independent Dominican social scientists. No social problems at the institutional level are anticipated. USAID has already established positive precedents for training Dominican university faculty members through a project with UCMM, and on a more limited scale with other higher education institutions. Further, since faculty training is contemplated only for professional, technical and managerial disciplines, and thus does not directly involve the traditional university faculties, it is not likely that social constraints to working with the universities will be encountered.

4. Impact of Project on Women

a. Private Sector Training

According to feasibility studies for other private sector development projects, and according to all persons interviewed specifically for this project, the number of women who occupy mid-level technical, managerial and professional positions in the Dominican Republic is low. How low is not known because systematic studies have not been reported, if indeed they have been done. There are, however, indicators that can help to predict. In opportunities similar to those planned in the Development Training Project, such as LAC II, there have been two male applicants for each female applicant over a long period of time.

According to reputable social/cultural scientists, the low number of women in managerial and technical jobs is not due to discrimination, but to cultural factors that result in women not aspiring to these middle-management positions. Whatever the cause, and whatever the unbalance that will be encountered as trainees are being identified and selected, it is a reality that project management will be faced with the situation that, overall, fewer women will be nominated under the private sector training activities than men. Male and female candidates will be considered in terms of identical criteria for both the short-term and long-term training of private sector technical, managerial and professional personnel. The probability is that the proportion of women sent for training will be the same proportion that exists among the management and professional personnel of the enterprises soliciting training under the project. This proportion, once it becomes known at the time of actual presentation of the requests for training by the private sector, will become an equity index for actual selection of trainees. However, during the promotional recruitment activities, women professionals will be identified and encouraged to apply. Female candidates will be selected for training whenever possible. Detailed data concerning the participation of women will be kept throughout the project. This information could be helpful in designing other projects to encourage greater participation by women in development activities.

b. Women in the University Faculty Training Component

The same cultural factors that result in a reduced number of women among key managerial, technical and business positions is likely to be encountered among key professors in the universities. Nominations for the Masters and Ph.D. level faculty training opportunities will include "X" men and "Y" women professors. Actually, to make a selection of a top level professor to go for two or three years from inside a major university to study abroad is a delicate matter and requires the highest human relations, personnel management and professional academic skill on the part of those making the selection. The heaviest responsibility will be borne by the Rector of the university concerned. The USAID and CNHE Project Managers will in addition have major roles, and will probably reach an agreement with the Rector and other university officials concerning how the final selection will be determined.

The purpose of the selection is to make the training opportunity available to the university professor that can on his or her return have the most impact on developing the relevant graduate program within the Dominican university concerned. Whether the candidate is male or female will not likely be of much importance by the time the candidate gets to the selection committee. The project management will seek to select qualified women candidates for training whenever the opportunity presents itself.

D. Financial/Economic Analysis

This project will provide training and technical assistance inputs directed towards improving the human resource base in key areas of the productive sector. This project will address the problem of inadequate human capital preparation through training of: a) 8 university professors at the PhD or Masters level; b) 55 professionals at the Masters level; and c) approximately 250 persons at the technical level through short-term courses. Total cost of the human capital investment is estimated at \$9.4 million.

This project has been designed to minimize long-term financial commitments as well as recurrent costs on the part of the host country. While AID funds will be used to pay tuition and maintenance costs, host country private firms will pay for international travel, participant salaries and related expenses. From the participant point of view, he/she will not incur monetary costs during the training period, although it is conceivable that the participant could incur some non-monetary costs. After the training, however, the participant's human capital will be higher and consequently the participant should command higher wages. Thus, the net financial rate of return from the individual participant point of view is extremely large.

The benefit to the economy of the investment in human capital, however, primarily comes from greater efficiency, productivity and improved judgement of the returned participants after the training. If the training assists the participants to be able to make more efficient decisions, the

potential return to the economy could be enormous. For example, it is anticipated that many participants will become future leaders in the areas of training received and as leaders, some of the management decisions they make may have a significant impact on the economy. If the combined impact of higher efficiency and better judgement increases the GNP by 1/4 of 1%, the gain to the economy will be \$12.5 million each year, far exceeding the \$9.4 million one-time investment.

The design of the project is also cost-effective. The project will concentrate training of private sector managers and technicians who are directly engaged in productive activities. The project will be managed by the National Council of Businessmen, ensuring an efficient selection of participants. Thus, the project is considered more cost-effective compared to a traditional training program managed by the public sector.

V. IMPLEMENTATION ARRANGEMENTS

A. Summary

The two principal entities involved in project implementation will be the National Council of Businessmen (CNHE) and a U.S. Contractor. USAID will issue a Request for Proposal (RFP) inviting proposals from an education training organization capable of delivering the in-country technical assistance and U.S. logistic support necessary for successful implementation of the project. The U.S. Contractor will assume the responsibility for management of all aspects of participant programming and will provide technical assistance for the organization, administration, training of staff and procurement of equipment to successfully implement the Project. The U.S. Contractor will be directly responsible through a U.S. home office for placement, maintenance and follow-up of all participants.

Recruitment and selection will be done by CNHE and the U.S. Contractor working directly with the private sector enterprises. Likewise, in the case of the training component for university professors, the limited number of participants will be identified and selected through direct collaboration between project and university authorities.

In addition, the local Partners of the Americas will receive a sub-grant from the principal grantee (CNHE) of \$300,000 to arrange training that is consistent with project objectives. The Partners will manage this training in accordance with an agreement between CNHE and Partners. Some training may also be arranged by CNHE with project funds in support of an initiative being undertaken by Rotary International to increase the number of Dominicans trained in the U.S. in the fields of agriculture and agro-industry.

B. Schedule of Main Events

The major events in project implementation are scheduled as follows:

<u>Event</u>	<u>Date</u>
<u>1986</u>	<u>1986</u>
Sign Agreement	July
Conditions Precedent Met	August
Issue RFP for Contractor	August
Designate Project Manager	August
Select U.S. Training Contractor	September
Begin Initial Promotional Activities	October
Select and Place 1st. Group ST Trainees	October
Select 1st. Group of LT Candidates	October
Initiate ELT for LT Candidates	November
Place LT Candidates who do not need ELT	November
Survey of Training Priorities for 1987	December
Prepare Training Plan for 1987	December
<u>1987</u>	<u>1987</u>
Select ST Trainees	Jan./March/June
Place ST Trainees	Feb./April/July
Place LT Candidates who Completed ELT.	March
Departure to U.S. for Orientation of LT Candidates	June
Prepare Biannual Training Plan	July
Select LT Candidates	September
Place LT Candidates in ELT	November
Survey of Training Priorities for 1988	December
Prepare Updated Training Plan	December
<u>1988</u>	<u>1988</u>
Select and Place ST Trainees	Jan./March/June
Place Candidates	Feb./April/July
External Project Evaluation	July
Prepare Biannual Training Plan	July
Select and Place ST Trainees	September
Place LT Candidates in ELT	November
Survey of Training Priorities 1989	December
Prepare Updated Training Plan	December

1989

Select and Place ST trainees
 Prepare Biannual Training Plan
 Return of 1st. Group of LT Participants
 Survey of Training Priorities 1990
 Prepare Updated Training Plan

1990

Select and Place ST Trainees
 Return of 2nd. Group of LT Participants
 Survey of Training Priorities 1991
 Prepare Final Training Plan

1991

Final ST Training Activity
 Final Evaluation

1989

Jan./March/June
 July
 August
 December
 December

1990

Jan/March/June
 July/August
 December
 December

1991

January/March
 July

C. Detailed Implementation Plan1. The Grantee - The National Council of Businessmen

This project will be granted to and administered by the National Council of Businessmen (CNHE). The role of the CNHE will be the overall management of the Project in coordination with a U.S. Contractor and USAID. Each of these organizations will have specific duties and responsibilities which will be defined in the following Plan.

CNHE will employ a project manager to oversee the work of the contractor. An office will be established which will include a part-time accountant, a secretary and a chauffeur/messenger.

a. Project Manager Responsibilities

The Project Manager will be the liaison between the Grantee, U.S. Contractor and the USAID Project Coordinator. This person will plan and manage all project activities which include, but are not limited to promotion, recruitment, participant screening and selection, monitoring, evaluation and follow-up. Specifically, the Project Manager will perform the following tasks:

i. Promotion: The Project Manager will be responsible for promoting the project to private sector firms, universities and organizations. An enterprise training plan will be a requirement for participation. The Project Manager will work with the institutions to develop this plan and to update the projections for training on an annual basis. The manager will also develop materials for publication in bulletins and local

newspapers about the training opportunities. Included in the advertisement for both long- and short-term training opportunities will be the terms of the scholarships, prerequisites, selection criteria and fields of study eligible for the award.

ii. Recruitment, Screening and Selection: The Project Manager will visit private sector firms and organizations to inform them of the project and to identify firms throughout the country interested in participating. Pre-selection criteria and procedures will be part of the training plans.

iii. Evaluation, Follow-up: The Project Manager will ensure that evaluation and follow-up activities are being carried-out. He/she will have the responsibility for periodically reassessing the training needs of the private sector through formal interviews and questionnaires.

b. Accountant

A part-time project accountant jointly with the U.S. contractor staff, will be responsible for all the project payment of local expenses, financial accounting and reporting, as well as for maintaining the WBS information. The WBS was developed to standardize development training administrative and program cost elements. A general description of the WBS elements is attached in Annex K. The Accountant will be instructed by the USAID Controller's Office on the formats and financial forms required to account for project funds.

2. U.S. Contractor

Technical assistance will be provided by a U.S. firm selected in accordance with AID competitive procurement procedures. The Contractor will be directly responsible to the CNHE Project Manager and will assist CNHE to: (a) establish and administer a training office within the CNHE; (b) coordinate all program related activities, both in-country and in the U.S., i.e. recruiting, reviewing applications, approvals, documentation, follow-up, and evaluation; (c) develop a system to periodically assess the human resource requirements of the private sector; and (d) develop annual training plans and projections.

The U.S. Contractor will have a specialist physically present in the Dominican Republic on an intermittent basis to carry out all training processing and programming requirements in-country. This specialist will supervise the work of a local Administrative Assistant in processing USAID documentation required for candidates studying in the U.S. or third countries. Using the computerized Participant Training Management System (PTMS) and a custom designed participant tracking system, student progress and records will be constantly updated and monitored. Constant coordination and feedback from the U.S. Contractor will also be of prime importance in implementing these activities. Specific contractor responsibilities include, but are not limited to:

- a) Selection and placement in the U.S. and third countries of long-term and short-term training related to project objectives;
- b) preparation of all required participant trainee documents;
- c) processing tuition, maintenance allowance and insurance payments;
- d) ensuring that all participant records include complete cost analysis, information according to the WBS or current AID financial requirements;
- e) receiving and responding to all routine telegrams, telexes, and letters pertaining to participants with input from AID;
- f) presenting and executing a monitoring and evaluation plan acceptable to AID, and;
- g) ensuring that all trainees know that the training is sponsored by the U.S.

The Contractor will assist CNHE to plan and administer the program based on AID-established policies. The program will include counseling participants before and during the completion of their academic studies; preparing student progress reports at least two times per year; within four weeks of the completion of the training, conducting an orientation session prior to departure; and designing and implementing a system for follow-up. Individual exit interviews with participants will be arranged by the Contractor and a training questionnaire will be administered. In addition, follow-up visits and activities with a newly organized alumni association will be arranged. All tasks and mandatory requirements should be performed in accordance with Handbook 10.

Based on the all-encompassing in-country programatic and planning requirements of this project, USAID/DR has determined that a U.S. Contractor to perform the scope of services is justifiable. Nevertheless, potential contractors will be required to provide a breakdown of program costs in a comparable format with ST/IT in order to make the final determination to contract a private firm.

3. USAID Monitoring Plan

The Human Resources Division of USAID/DR will be responsible for monitoring the Development Training Project. An HRD representative will work with the Grantee and the Contractor to assure that the project is meeting its goals and objectives. The HRD representative will be a member of the Selection Committee.

The USAID/DR Training Office will assume responsibility for processing all nominations for training until such time as the U.S. Contractor is on-board. More specifically, it will be responsible for maintaining all USAID required training records, as well as reviewing the fiscal information on the PIO/Ps and submitting them to AID/W. In addition, it will request the J-1 visas for all participants. The CNHE project staff will periodically report and transfer all PTMS and WBS information to the Training Office for USAID records.

D. Selection Process

1. Recruitment/Nomination

Business enterprises and universities that indicate an interest for training under the Project will develop, in coordination and collaboration with the Project Manager, an enterprise training plan. This plan will specify knowledge-based constraints which can be addressed through long or short-term training in the U.S., third countries and in-country; and propose areas of training and the personnel to be trained. This will serve to identify those firms that qualify in terms of project priorities. To the extent possible, women participants employed in the private sector will be trained.

The nomination of candidates for Masters and short-term training will be by various private sector organizations, member associations of the CNHE, development foundations, small and medium business organizations, small industries, corporations, semi-autonomous agencies, institutions at the policy decision-making level, and training corporations.

In terms of faculty training at the PhD or Masters level, the three universities -UCE, UNPHU, and INTEC- will nominate professors for training. Project nominees will then be selected by the Selection Committee based on the specified criteria and will receive final approval by USAID.

2. Selection Committee

A Committee will be established to review scholarship applications, screen finalists, and interview those going for long-term training. The Committee, selected by CNHE, will be composed of representatives of collaborating organizations, and may include: four members of CNHE Board, one of which represents the American Chamber of Commerce; two small and medium business/industry representatives; a representative from the university community and an ex-officio representative of AID. Each participant selected by the Committee will receive a detailed letter stating the terms of the scholarship and will be required to sign a legally binding document that each will return to the place of employment in the Dominican Republic upon completion of the training.

The Committee will meet a minimum of four or five times per year in September, December, March, and June to select both long and short-term participants. In summary, the detailed responsibilities of the Selection Committee include:

- 1) Receiving nominations from eligible private sector firms and universities.
- 2) Screening nominees, bearing in mind project requirements, and interviewing all long-term finalists.
- 3) Selecting scholarship recipients.
- 4) Assisting in the promotion and follow-up activities of the Project.

E. Evaluation Plan

Project Evaluation will be an on-going process carried out by the USAID, Grantee, and U.S. Contractor. Evaluation activities will be conducted at different levels and at various intervals throughout the life of the project. Four evaluation elements will be either continuously maintained or conducted during the life of the project. These are:

- 1) continuous participant training information;
- 2) follow-up activities;
- 3) biannual reporting and quarterly Project Management Meetings; and
- 4) two project evaluations.

The U.S. Contractor will be required to maintain participant records and progress reports, kept up to date through the use of the Participant Training Management System (PTMS) and the Work Breakdown Structure (WBS). The timely identification and processing of candidates for training, the type and areas of training, length, and sponsoring institution information will be available on a continuous basis as part of the participant tracking system. The participant tracking system will monitor the overall performance of the trainees and any variables affecting their performance. Complete candidate files and progress reports while in training for each participant will be readily available. Sex-desaggregated information will also be maintained.

Biannual Project Reports will be submitted to USAID by the Project Manager. These reports will be based on six-month implementation plans and will include a summary of accomplishments, implementation information, problems and/or delays, and the next six-month targets. The Project Manager in coordination with the staff and U.S. Training Contractor will prepare the report. Planning and review meetings among the USAID, Contractor and Grantee will be held no less than twice per quarter to discuss the project.

Two major outside evaluations of the Project will be conducted: the first after 24-30 months of project implementation and the final evaluation at the end of the project. The major objective of the evaluations will be to assess the impact of the training in furthering the strategy of increased exportation and agricultural diversification and the role of the CNHE in this context. The mid-term evaluation will be scheduled in FY 88 and will require expertise from outside contractors. It will specifically measure the progress towards achieving the stated project goals and objectives, and will revalidate the project design based on implementation experience and progress, participant records, and management system information. Any project design modifications or changes in implementation strategies will be recommended at that time.

The final evaluation will be conducted in FY 91 with outside contractor assistance. It will assess the quality and impact of the project in relation to the stated goal and objectives and will measure the extent to which these have been achieved using the planned target. Specifically both evaluations will also focus on: 1) the quality of the technical assistance and placement services; 2) the extent to which the project goals and objectives are being or were met; 3) the relevance and quality of the training in U.S. and third-country institutions; 4) the relevance and utilization of skills acquired in training in relation to on-the-job performance; 5) the suitability of the selection criteria and the functioning of the selection committee; 6) the adequacy of the ELT program; and 7) the effectiveness of the project in terms of improved productivity and/or increased exports in the participating firms.

F. Negotiating Status, Conditions and Covenants

1. Negotiating Status

The project has been discussed by the CNHE Board of Directors. The Executive Director reports that the Board is in favor of signing a Project Agreement with USAID. Annex A contains a formal letter of request.

2. Conditions and Covenants

a. Initial Conditions Precedent

Initial conditions precedent to disbursement will be the standard requirements including: a) opinion of the legal consul of the Grantee that the Agreement is a legally binding agreement, and b) a statement of the names of the persons who will represent the Grantee and a specimen signature of each person specified.

b. Subsequent Conditions Precedent

The Grantee will agree to submit to AID, prior to the disbursement of funds for the CNHE training office, evidence that adequate office space is available to house office and that a Project Manager has been designated including a statement of his responsibilities.

The Grantee will agree to submit to AID, prior to the subsequent disbursement of funds for training of the second and subsequent groups of long-term candidates, a training plan that includes projections for the upcoming year for long- and short-term training in both U.S. and third-countries. The plan should be based on the enterprise training plans and should be up-dated annually.

3. Special Covenants

The grantee will covenant that CNHE will enter into a subgrant with the Partners of the Americas to carry out a special training program in an amount not to exceed \$300,000 for training activities similar in scope and purpose to that of the Development Training Project.

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(12) ACTION: AID-8
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ANNEX A
Page 1 of 3

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E.O. 12356: N/A
TAGS:
SUBJECT: DEVELOPMENT TRAINING PROJECT, 517-0216

REF: SANTO DOMINGO 03127

1. AID/W HAS NO RECORD OF HAVING AUTHORIZED MISSION TO APPROVE REFERENCED PROJECT'S PID AND PP IN THE FIELD, NONETHELESS, FIELD APPROVAL IS HEREBY AUTHORIZED, SUBJECT TO THE FOLLOWING GUIDANCE.

2. GIVEN HIGH INTEREST IN THE AREAS OF COSTS AND MANAGEMENT OF THE TRAINING PROCESS, WE SUGGEST THAT THE MISSION FOLLOW THE WORK BREAKDOWN STRUCTURE (WBS) FORMAT IN OUTLINING THE SERVICES TO BE PROVIDED AND IN ESTIMATING THE COSTS OF THE PROGRAM. WE UNDERSTAND THAT THE MISSION HAS A COPY OF THE WBS. YOU MAY WISH TO CONSULT WITH LAC/DR/EST (PAUL WHITE) AT THE CARIBBEAN TRAINING CONFERENCE TO GET DETAILS ON HOW TO APPLY THE WBS TO PROJECT DEVELOPMENT. SHULTZ

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#8643

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43



Consejo Nacional de Hombres de Empresa, Inc.

Av. A. Lincoln No. 1056 7. piso. Santo Domingo, R.D. o Apartado Postal 22020
Teléfonos: 562-1414-562-1666 o Telex Hompre 3460460

14 de mayo de 1986

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Señor
Henry Bassford,
Director, Agencia para el
Desarrollo Internacional (USAID),
SU DESPACHO,
CIUDAD.-

Apreciado señor Bassford:

En el día de ayer nuestro Comité Ejecutivo conoció una exposición que le hiciese el Director Ejecutivo del Consejo, Dr. Francisco José Castillo, en relación con una visita que le cursara una Comisión de la AID integrada por los señores: Claude Boyd, Tony Christiansen-Wagner y Credo Sinyangwe, con el objeto de recabar la opinión de esta entidad empresarial respecto a un programa de "Management Training" que ejecutará su agencia en la República Dominicana.

Nuestro Comité Ejecutivo esta interesado en el aludido programa y para concretar la participación de nuestro Consejo autorizó al Dr. Castillo a iniciar conversaciones con su agencia, a fin de llegar a un entendido en tal materia.

Esperamos que a la brevedad posible podamos conocer más en detalle los alcances del programa y tener la oportunidad de recibirles en una de nuestras sesiones ordinarias de trabajo, para escucharles sobre el mismo, el cual estamos seguros mejorará el talento empresarial en materia de gestión y por ende, contribuirá al desarrollo nacional.

Agradeciéndole la atención que dispense a la presente, hacemos provecho de la ocasión para saludarle con sentimientos de consideración y estima.

Muy atentamente,

Ing. Mario Cabrera,
PRESIDENTE

MC/dpr.-

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DEVELOPMENT TRAINING PROJECT
PROJECT DEVELOPMENT COMMITTEE

Debra DeWitt McFarland	-	Project Development Officer
Toni Christiansen-Wagner	-	Human Resources Officer
Claude Boyd	-	Personal Services Contractor
Henry Welhous	-	Staff Economist
Gerald Hensley	-	Deputy Controller
John Chang	-	Acting Program Officer
Kenneth Lanza	-	IDI, Private Sector Officer
Janet Fernandez	-	CRD Administrative Support

Project Title & Number: Development Training (517-0216)

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions															
A.1 <u>Goal</u> To improve the Human Resources base required for private sector export-led growth and development.	A.2 A trained pool of professional managers and technicians in key sectors of the economy.	A.3 1) Reports of the Central Bank and IBRD 2) IMF Economic Memorandum 3) Reports by the National Council of Businessmen (CNHE).	A.4 - Private sector willing to re-orient its activities - GODR will support export-led growth with appropriate policies - Political stability and economic growth will continue.															
B.1 <u>Purpose</u> To increase the number of trained professional, tech., and managerial personnel needed to meet the manpower demands of an export-oriented economy.	B.2 <u>End of Project Status</u> 1) Improved productive capacity and expanded export marketing in the participating enterprises. 2) Improved graduate-level curriculum in the priority areas of study related to private sector economic development. 3) Improved and more effective private sector communications network to plan and coordinate training requirements at the national level and for the individual firm.	B.3 1) Records of AID and the training organizations 2) Participant tracking systems 3) Project evaluations.	B.4 - Employment opportunities exist for trained personnel.															
C.1 <u>Outputs</u> (1) Long-term Graduate Trng. in the U.S. and third countries; (2) Short-term U.S. and 3rd. country training.	C.2 <u>Output Indicators</u> 1) An estimated 55 private sector employees trained at the Master's level in the U.S. or Third Countries. 2) An estimated 8 university faculty members trained at the PhD or Masters level in the U.S. 3) An estimated 250 private sector employees trained in short-term U.S. or 3rd. Country courses or observational visits.	C.3 1) Reports from the universities & training institutions 2) Feedback from students 3) Feedback from firms 4) Contractor's reports 5) Participant tracking system.	C.4 - Private sector firms will financially support employees in training.															
D.1 <u>Inputs</u> 1) Training 2) Project Administrative Costs 3) Project Evaluation/Audit	D.2 <u>Budget (\$000)</u> <table border="1" data-bbox="873 1280 1233 1503"> <thead> <tr> <th></th> <th>AID</th> <th>HCC</th> </tr> </thead> <tbody> <tr> <td>1) Training</td> <td>5,461,700</td> <td>2,100,000</td> </tr> <tr> <td>2) Project Administrative Costs</td> <td>1,403,300</td> <td>303,000</td> </tr> <tr> <td>3) Project Evaluation/Audit</td> <td>85,000</td> <td>-</td> </tr> <tr> <td></td> <td><u>7,000,000</u></td> <td><u>2,403,000</u></td> </tr> </tbody> </table>		AID	HCC	1) Training	5,461,700	2,100,000	2) Project Administrative Costs	1,403,300	303,000	3) Project Evaluation/Audit	85,000	-		<u>7,000,000</u>	<u>2,403,000</u>	D.3 AID Records Counterpart Records.	D.4 - Availability of AID funds - Availability of local currency counterpart organization.
	AID	HCC																
1) Training	5,461,700	2,100,000																
2) Project Administrative Costs	1,403,300	303,000																
3) Project Evaluation/Audit	85,000	-																
	<u>7,000,000</u>	<u>2,403,000</u>																

5(C) 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 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? Yes
Yes

A. GENERAL CRITERIA FOR PROJECT

1. FY 1986 Continuing Resolution Sec. 525; FAA Sec. 634A.
Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project. A Congressional Notification was submitted on 06/05/86 per SD 07344 CN expires on 06/25/86
Yes
2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$500,000, 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? N/A
3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

4. FAA Sec. 611(b); FY 1985 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See AID Handbook 3 for new guidelines.) N/A
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? 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. No, project is not susceptible to execution as part of a regional or multilateral project.
7. FAA Sec. 601(a). Information and conclusions whether projects 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. Through participant training activities directed at this export-oriented private sector the project will have an impact on the technical efficiency of industry, agriculture and commerce.

- | | |
|--|--|
| 8. <u>FAA Sec. 601(b)</u> . 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 enterprises). | The project will encourage private US participation by identifying private firms to provide training courses in the U.S.; the use of a private U.S.-based contractor and a private U.S.-based PVO for training services. |
| 9. <u>FAA Sec. 612(b), 636(h); FY 1985 Continuing Resolution Sec. 507</u> . 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. | The country is contributing 25% of total project costs. |
| 10. <u>FAA Sec. 612(d)</u> . Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? | No |
| 11. <u>FAA Sec. 601(e)</u> . Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? | Yes |
| 12. <u>FY 1985 Continuing Resolution Sec. 522</u> . If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? | N/A |

13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does the project or program take into consideration the problem of the destruction of tropical forests? Yes
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
15. FY 1985 Continuing Resolution Sec. 536. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution? No
16. ISDCA of 1985 Sec. 310. For development assistance projects, how much of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)? Contractual services will be competitively selected; economically and socially disadvantaged enterprises will be encouraged to participate. As appropriate participants will be place in historically balck colleges and universities.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance project Criteria
- a. FAA Sec. 102(a), 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 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; (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

Yes. Section 105

c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving,

Participants will be placed in training programs relevant to their skill level and the needs of the sponsoring enterprise.

labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

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

- e. 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? Yes

- f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority? Yes

- g. FAA Sec. 381(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people The level of training activities and areas of study have been designed based on an analysis of the private sector's immediate requirements for training. Only host country nationals

of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

will be trained in exchange for a commitment to work for the sponsoring enterprise for a specified period of time.

2. Development Assistance Project
Criteria (Loans Only)

N/A

- a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.
- b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

3. Economic Support Fund Project
Criteria

N/A

- a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of part I of the FAA?
- b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

- c. ISDCA of 1985 Sec. 207. Will ESF funds be used to finance the construction of, or the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (in the "Treaty of Tlatelolco"), cooperates fully with the IAEA, and pursues nonproliferation policies consistent with those of the United States?
- 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?

SELECTION CRITERIA DETAILS

Master's Degree Training for Business and Industry

a) Selection Criteria

The criteria pertinent to the two-year Masters Degree are:

1) The candidate must hold a key managerial position in a private sector firm; 2) the candidate must be academically qualified to gain admission to the university program for which he is nominated; 3) the candidate must sign an agreement with the firm to return for three times the length of the training period.

b) Areas of Specific Study

The following areas of specializations will be preferred for Masters Degree studies:

- Marketing
- Business Administration
- Computer Information Systems
- Agribusiness Administration
- Accounting
- Agronomy/Food Technology/Agricultural Production/Animal Production
- Industrial Engineering/Quality Control
- Personnel/Finance
- Statistics
- Engineering: Civil/Mechanical/Electrical (as related to a specialty in Plant Maintenance and Repair of Equipment)
- Textile Engineering
- Chemical Engineering.

PhD and Master's Degree Training for University Faculty Upgrading

a) Selection Criteria

Criteria relevant to selection of persons for the three-year PhD Degree programs are:

The candidate must:

- 1) have an official long standing professional relationship with either INTEC, UNPHU, or UCE, and must agree to return after receiving his PhD to continue his professional relationship with the sponsoring

- 2) be seeking a specialization in an area that is to be offered in a Masters Degree program by the sponsoring university, and that is acceptable to USAID and CNHE; and
- 3) be academically and otherwise qualified to gain admission to a U.S. University graduate program that leads to a PhD Degree in an area acceptable to her/his sponsoring university authorities, USAID and CNHE.

b) Areas of Specific Study

The academic training of the university departments agree closely with those needs expressed by the business community. Specific training has been requested in computer information systems, business administration, industrial engineering, industrial production, international finance, marketing and construction management.

Short-term Training for Business and Industry

a) Selection Criteria

The following specific criteria for short-term training will be applied:

- 1) The candidate's history of professional advancement within the firm or institution.
- 2) The relationship of the training to current or potential job responsibilities.
- 3) A study field appropriate to private sector development needs.
- 4) Academic qualifications, as required.
- 5) Demonstrated leadership skills.

b) Specific Areas of Study

Specific areas include international marketing, free zone development, advertising and sales promotion, plant management, agribusiness management, international banking, production technology, food and agricultural statistics, economic statistics, computer data systems, financial management, project management, agricultural/economic policy, industrial relations, export market entry strategies, operations management, engineering, maintenance management, quality control, R & D management, international law, productivity and technological change. In addition, there are numerous specialized courses offered by third country institutions such as INCAE in export, trade, agribusiness, business administration and banking courses, as well as the vast training activities available through U.S. universities and private firms.

Partner's of the Americas

a) Selection Criteria and Areas of Study

The following are the general guidelines which will be followed for candidate selection:

(1) Candidates will be selected for long-term U.S. and/or short-term training based on:

- a) the professional history of the person within a firm or institution;
- b) the relationship of the training to project priority areas of study.

(2) Candidates must be nominated and endorsed by the local Partner's committee and must have the written consent and endorsement of the national institution with which they are affiliated to pay international airfare and salary throughout the period of training.

(3) Candidates must satisfy requirements for admission into training courses offered by the Michigan institutions, such as universities, private business, etc.

(4) Candidates must sign an agreement with the local Partner's committee their intention to return to their home country once their training in the United States is completed.

The areas of study will be the same as those stated for both long-term and short-term training.

ANNEX E

Detailed Information on the National Technological Institute (INTEC),
National University of Pedro Henríquez Ureña (UNPHU) and
East Central University (UCE)

- A. Anaiysis Summary
- B. Private Sector Programs Offered by INTEC, UNPHU and UCE
- C. List of Special Fields that Need Faculty Upgrading and
Academic Degrees of Current Professors

A. Summary Analysis of Universities (INTEC, UNPHU and UCE)

Purpose and Methodology

The Graduate level private sector programs of three universities (National Technological Institute, Pedro Henríquez Ureña National University and East Central University) were evaluated to determine the need to provide Ph.D training to key professors to strengthen the programs.

The following factors were systematically assessed by interviewing the Rectors and Vice Rectors of the aforementioned universities:

- interest in providing Ph.D training to key faculty of Masters level private sector programs;
- commitment of the university to financially support part of the training cost;
- quality of the faculty;
- working conditions of faculty that encourage/discourage returned trainees to remain with the university;
- understanding of the private sector's needs in developing educational programs; and
- number of students enrolled in private sector programs, capacity utilization and student drop-out rate.

1. National Technological Institute (INTEC)

INTEC is a private institution founded in 1972. It has the largest number of private sector programs of any university in the country. At the graduate level, it offers private sector programs in International Trade/Business Administration, Construction Management, Structural Engineering, Industrial Design/Production Management, and Energy Management. It also provides consulting services to local industries, and conducts applied research, workshops and seminars on productivity and management. In addition, each year INTEC offers continuing education to approximately 1,200 people from small and medium-sized businesses who do not meet the requirements for attending INTEC's university-level programs.

INTEC uses manpower supply and demand studies to develop its programs. It recently conducted such a study financed by IDB. The study identified the need for managers, technicians and professionals in agroindustry, agribusiness, light manufacturing and non-traditional export services. INTEC has also used manpower studies conducted by other institutions such as the Central Bank.

INTEC's goals for the coming three years are to strengthen graduate level programs in Systems Engineering, Production Engineering and Industrial Engineering. To achieve these goals, INTEC is seeking more support for its programs from private businesses, IDB and other donors, and is offering long term training to a substantial number of its professors.

INTEC's private sector graduate level programs are currently providing training to 273 students. Capacity utilization in these programs is approximately 75 percent. The student drop-out rate at the graduate level is about ten percent. It peaks during the first two quarters and during thesis writing. INTEC believes that students drop-out because they join programs without knowing what to study and often find thesis writing onerous. This problem is being solved by improving student orientation and counselling services. INTEC already has an internal relations office that acts like an ombudsman and counsels students on how to interview for jobs.

INTEC forecasts that enrollment in its private sector graduate programs will increase to 425 students by 1991.

Most of INTEC's faculty hold Masters degrees from U.S. and third country universities. In the past three years, nine professors returned from long term training to teach at INTEC. They received Masters degrees in Textile Engineering, Systems Engineering, Industrial Engineering, Educating Techniques (audio-visual systems), University Planning and Industrial Design. Fourteen more professors are now receiving long term training financed by an IDB loan and Fullbright scholarships. Training is being provided in the fields of Mechanical Engineering, Electrical Engineering, Food Production, Industrial Design and University Administration. Of the fourteen participants, only four are receiving Ph. D level training. Of the four, one is studying Education Planning and three are studying Systems Engineering (computer science). It takes an average of four years for professors without Masters degrees to receive Ph.Ds assuming they have English language proficiency.

Although INTEC has been training a large number of its professors, the Vice Rector expressed the need for additional faculty training in Economics, Business Administration, Electrical Engineering, Energy Management and Industrial Production. Also, INTEC would like to train faculty to develop programs in Computerized Management Information Systems and basic and applied Research Techniques. INTEC has already identified six potential candidates for faculty training under the DT project.

INTEC is willing to contribute to faculty training by paying for airfare, cost of replacement and part of the professor's continued salary. INTEC requires that each participant sign a legal contract promising to work for the university for twice the duration of sponsored training. A breach of this contract would automatically convert the scholarship into an education loan.

2. Pedro Henríquez Ureña National University (UNPHU)

UNPHU is a private institution founded in 1966. It offers private sector programs and courses in Plant Breeding, Horticulture, Livestock and Dairy Farming, Agricultural Economics, International Finance, Banking, Export Marketing, International Trade, Macro-economic Policies, Investment, Project Analysis, Joint Venture and Business Law, and Industrial Production. However, the only graduate level degree program it offers is a Masters in Economics. It also offers non-degree short-term courses to business and industry in the areas of Personnel Management, Marketing, Accounting and Project Development.

To determine the training needs of small and medium-sized businesses, the University contacted local businesses and used data from a Central Bank manpower study. It's objectives in private sector training over the next three years are to develop a Masters program in Business Administration (and perhaps Agriculture, Electrical Engineering and Food Sciences), strengthen the existing Masters program in Economics and offer short-term courses, workshops and consulting to small and medium-size businesses. The University sent a professor to institutions in Costa Rica and Colombia to study how short-term training could be provided to small and medium-sized businesses. Also, some technical assistance was obtained from the University of Florida at Gainesville to develop a Masters program in Business Administration.

The Vice Rector was unable to provide information on how many students attend UNPHU's private sector programs. However, he indicated that the University's Banking, Marketing and Economics programs are operating at about 25 percent below capacity and the drop-out rate is about 20 percent.

Most of UNPHU's professors only have Bachelor degrees, and 80 percent of the professors work part-time. The Vice Rector expressed an urgent need to upgrade faculty qualifications. Once trained, the professors would develop and improve graduate courses and programs for the private sector and conduct research for business and industry.

Given the low level of qualifications of UNPHU's faculty, the Vice Rector indicated that, at the moment, Masters degree training would be more appropriate than Ph.D training. He identified five candidates who could receive training under the DT project. They only have Bachelor degrees.

UNPHU is willing to financially support faculty training by paying for airfare, cost of replacement and contributing about \$200.00 per month to professors' maintenance. UNPHU would require participating professors to sign a legally enforceable contract promising to teach for twice the duration of their training or else reimburse the university the full cost of training.

UNPHU has a professor turnover rate of about 20 percent. These professors are lured away by the salary and benefits that businesses offer, which are generally much higher than university salaries.

b1

3. East Central University (UCE)

East Central University was founded in 1970 to contribute to the development of professionals and technicians to support the economic and social development of the country. In the coming three years, UCE's stated goal is to respond to the needs of the private sector in the East Central region to increase production, employment and improve the welfare of the Dominican people.

UCE reports having conducted a manpower supply and demand study for the private sector of the East Central region. As a result of the study, UCE developed private sector programs to train students for jobs in light manufacturing and agribusiness at the technical, Bachelors and graduate levels. UCE currently offers Bachelor level private sector programs in Accounting, Business Administration, Economics, Electrical Engineering, Mechanical Engineering, Civil Engineering, Industrial Engineering, Agricultural Engineering and Veterinary Medicine. At the graduate level, UCE offers one year programs in Hydrology, Irrigation, Forestry, Cost Control and Budgeting. None of UCE's programs offer Masters degrees.

UCE's Rector was unable to provide information on the qualifications of the faculty of its private sector programs. He indicated that UCE needs to upgrade the skills of its professors to develop Masters degree programs in Business Administration and Agriculture and, to this end, nominated three professors for Ph.D training under the DT project. All three nominees only have Bachelor degrees. Two would be trained in Industrial Engineering and one in Business Administration.

UCE is willing to contribute to faculty training by paying for airfare, the cost of replacement, if it is necessary, and part of the trainees' maintenance expenses. UCE would require that each participant sign a legal contract promising to work for the university for twice the duration of sponsored training. A breach of this contract would automatically convert the scholarship into an education loan.

UCE's Rector was unable to provide information on the number of students enrolled in the University's private sector graduate level programs and did not provide information on the utilization rate of the University's private sector programs. He indicated that the drop-out rate in undergraduate programs is about forty percent and that the rate is much lower in graduate programs. Undergraduates tend to drop-out to take well paying technical level jobs at the San Pedro de Macoris Free Zone. Many UCE graduates work in business and industry in the East Central region, especially in the Free Zone and Central Romana Corporation. The University is frequently informed of employment opportunities for its graduates by Free Zone companies and the Central Romana Corporation. This information is channeled to the offices of the Deans of respective departments.

employment opportunities for its graduates by Free Zone companies and the Central Romana Corporation. This information is channeled to the offices of the Deans of respective departments.

4. Conclusions

a. This study aimed to determine the need for providing Ph.D training to key professors to strengthen the Masters level private sector programs of three universities. However, only two of the universities surveyed have Masters degree programs. The third university only offers a few graduate level courses. Of the two universities that offer Masters degrees, one offers only a Masters in Economics. Therefore, it should be decided whether the project should only upgrade faculty of Masters degree programs or also sponsor faculty training for universities that offer non-degree graduate level courses. If the former option is chosen, then only INTEC's candidates would qualify for scholarships, unless UNPHU nominates candidates from its Masters in Economics program.

b. All the universities surveyed are willing to pay for airfare, cost of replacement and contribute to the maintenance allowance of participants.

c. All the universities are interested in developing/upgrading programs by training faculty

B. Academic Programs Currently Offered by INTEC, UNPHU and UCE that Serve the Private Sector

1. INTEC:

<u>Program</u>	<u>L e v e l</u>	
	<u>Licenciatura</u>	<u>Masters</u>
Agriculture		
Business Administration	Business Administration	International Trade
Computer Science & Technology	Computer Science	
Economics	Economics	
Engineering	Industrial and Mechanical Engineering	Construction, Energy, and Structural Engineering
Food Science Technology		
Law		
Operations Research		Industrial Design and Productin Mgt.

2. UNPHU:

<u>Program</u>	<u>Level</u>	
	<u>Licenciatura</u>	<u>Masters</u>
Agriculture	X	
Business Administration	X	
Computer Science & Technology	X	
Economics	X	X
Engineering	X	
Food Science Technology		
Law	X	
Operations Research		

3. UCE:

<u>Program</u>	<u>Level</u>	
	<u>Licenciatura</u>	<u>Masters</u>
Agriculture	X	
Business Administration	X	
Computer Science & Technology		
Economics	X	
Engineering	X	
Food Science Technology		
Law		
Operations Research		

C. List of Special Fields of Study Submitted as Needs by University Rectors for Faculty Upgrading and Academic Degrees of Current Professors

<u>Name of University</u>	<u>Special Field of Study</u>	<u>Academic Degree of the Professor Currently Teaching the Special Field</u>
1. INTEC		
1	Strategic Planning	Master of Arts
2	International Finance	Master of Arts
3	Industrial Production	Master of Science
4	Electrical & Mechanical Engineering	Master of Science
5	Construction Management	Master of Science
6	Marketing Management	Licenciatura
2. UNPHU		
1	Business Administration	Licenciatura
2	Computer Information Systems	Licenciatura
3	Computer Information Systems	Licenciatura
4	Business Administration	Licenciatura
5	University Administration/Education Planning	Licenciatura
3. U C E		
1	Business Administration	Licenciatura
1	Industrial Engineering and Business Administration	Licenciatura
1	Industrial Engineering	Licenciatura

Doc. No. 1804k

65

English Language Training Staffing

One Coordinator, two teachers and a tutor will be contracted on a full-time basis for the training program. The Coordinator will have the following responsibilities:

- 1) overseeing the day-to-day operation of the program;
- 2) monitoring the teaching activities;
- 3) supervising the teachers;
- 4) maintaining the homogeneous nature of the classes;
- 5) providing student counseling;
- 6) selecting materials to ensure integration of instructors;
- 7) providing in-service training to teachers;
- 8) monitoring the on-going testing of the participants;
- 9) reporting to the Executive Director of ICDA, who will in turn act as a liaison with the AID Mission; and
- 10) teaching 2 hours per day plus 5 hours on-site preparation (7 hours/day, 35 hours/week).

The teachers will be responsible for:

- 1) teaching the basic skills of listening, reading, writing, speaking; 4 hours per day, plus 3 hours on-site preparation and program activities (7 hours/day, 35 hours/week);
- 2) evaluating student progress;
- 3) offering remedial help to students with learning problems;

4) developing materials to supplement the regular teaching activities.

The tutor will:

- 1) provide tutoring services to students who need extra attention;
- 2) act as a substitute in the event that the regular teachers are absent.

The ELT Program increases the participant's awareness, atmosphere, practices and standards typical of a United States educational program, before their departure.

ANNEX G
Detailed Cost Estimates by Year
AID Funds

	<u>1987</u>	<u>1988</u>	<u>1989</u> (US\$ 000's)	<u>1990</u>	<u>1991</u>	<u>Total</u>
1. <u>Training</u>						
a. <u>Long-Term Training*</u>						
Masters (55 x 2 yrs.) (number of participant years)	160,000 (8)	660,000 (30)	1,137,500 (47)	665,500 (25)	--	2,623,000
Ph.D's (8 x 3 yrs.) (\$21,000 x 3 + 10 per yr.)	60,000 (3)	176,000 (8)	193,600 (8)	133,100 (5)	--	562,700
Sub-Total	220,000	836,000	1,331,100	798,600	--	3,185,700
b. <u>Short-Term**</u> (number of participant months)	300,000 (100)	330,000 (100)	363,000 (100)	400,000 (100)	439,000 (100)	1,832,000
c. <u>English Language Training</u>	42,000	50,000	52,000	--	--	144,000
d. <u>Partners of the Americas</u>	100,000	100,000	100,000	--	--	300,000
TOTAL	<u>662,000</u>	<u>1,316,000</u>	<u>1,846,100</u>	<u>1,198,600</u>	<u>439,000</u>	<u>5,461,700</u>

* Long-term training is projected at \$ 20,000 per participant training year and assumes 10% per annum inflation.
** Short-term training is projected at \$ 3,000 per participant training month and assumes 10% per annum inflation.

68

Detailed Costs by Year - Annex G (cont.)

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>Total</u>
2. <u>Administrative Costs</u>						
a. U.S. Institutional Contractor*	<u>95,000</u>	<u>255,000</u>	<u>375,000</u>	<u>255,000</u>	<u>64,000</u>	<u>1,044,000</u>
b. CNHE						
Personnel						
Project Manager	21,000	23,000	25,000	27,000	29,000	125,000
Accountant-part time	8,600	9,400	10,400	11,400	12,500	52,300
Secry/Recept.	6,500	7,100	7,800	8,600	9,500	39,500
Driver	4,300	4,700	5,200	5,700	6,300	26,200
Sub-total	<u>40,400</u>	<u>44,200</u>	<u>48,400</u>	<u>52,700</u>	<u>57,300</u>	<u>243,000</u>
Office and Promotion Costs						
Publicity	5,000	7,000	7,000	4,000	-	23,000
Communications	8,000	8,500	9,000	5,000	5,000	35,500
Renovations	5,000	-	-	-	-	5,000
Sub-total	<u>18,000</u>	<u>15,500</u>	<u>16,000</u>	<u>9,000</u>	<u>5,000</u>	<u>63,500</u>
Operational Costs						
Vehicle	3,000	3,000	2,800	2,000	1,000	11,800
In country Per Diem	2,000	1,500	1,500	1,000	1,000	7,000
Subtotal	<u>5,000</u>	<u>4,500</u>	<u>4,300</u>	<u>3,000</u>	<u>2,000</u>	<u>18,800</u>
Commodities						
Computers- 2 PC/Modern/Printer	15,000	-	-	-	-	15,000
Furniture	12,000	-	-	-	-	12,000
Xerox	5,000	-	-	-	-	5,000
Typewriters (3)	3,000	-	-	-	-	3,000
Misc. Equip.	2,000	-	-	-	-	2,000
Office Supplies	6,500	6,500	6,500	6,000	5,500	31,000
Vehicle	15,000	-	-	-	-	15,000
Video recorder/player	1,000	-	-	-	-	1,000
Sub-Total	<u>59,500</u>	<u>6,500</u>	<u>6,500</u>	<u>6,000</u>	<u>5,500</u>	<u>84,000</u>
Total CNHE Costs	<u>122,900</u>	<u>70,700</u>	<u>75,200</u>	<u>70,700</u>	<u>69,800</u>	<u>\$409,300</u>
3. Evaluation, Surveys and Audit	<u>7,500</u>	<u>7,500</u>	<u>35,000</u>	<u>5,000</u>	<u>30,000</u>	<u>85,000</u>

* Based on approximately \$ 400/participant month and assumes 10% per annum inflation.

69

DEMAND ANALYSIS FOR PRIVATE SECTOR TRAINING
IN EXPORT-RELATED INDUSTRIES

Final Report

June 2, 1986

Draft

Presented to: US AID Mission to the Dominican
Republic

By: Center for Administration of
Rural Development (CADER)
of the Instituto Superior de
Agricultura (ISA)

This report presents the findings of a study designed to estimate the demand for training of managers, professionals and technicians by the private sector in the Dominican Republic, specifically by current or potential exporters of selected non-traditional products.

The data were collected by surveying 116 firms during the period May 13-28, 1986. Respondents were at the director or sub-director level, or chiefs of personnel.

I. OBJECTIVES OF THE STUDY

The objectives of the current study are:

1. Determine the level of demand for training in private, export-related industries.
2. Determine what factors may influence this level of demand.
3. Assess the relative demand for short-term versus long-term training.
4. Assess the relative demand for type of training being sought (administrative, professional, technical).
5. Indicate what sectors (agribusiness, agroindustry, other light industry, free zone, banking services) demonstrate the greatest need for training and in what areas.
6. Quantify the level of support the private sector would be willing to provide training participants.
7. Project demand to 1990 and estimate demand to 1993.
8. Provide qualitative feedback from private sector executives on ways to make the training program most effective.

II. SIGNIFICANCE OF TRAINING

The Dominican Republic has traditionally relied on the export of a limited number of agricultural products and minerals to earn foreign exchange. Non-traditional agricultural and manufacturing exports have generated only about 15% of total earnings, or \$US 100-150 million per year. In recent years international commodity prices have fallen, and the country has seen a need to diversify its export base.

The proposed U.S. AID project will support diversification efforts by assisting in the training of the managers, professionals and technicians needed to expand non-traditional production. The project, and thus the group under study, excludes traditional exports, mining, tourism and heavy industry, but includes support sectors such as financial services.

This project will concentrate on increasing the capability of skilled workers, that is on administrators, professionals and technicians, rather than unskilled laborers. This study considers holders of university degrees as "administrators" or "professionals," while a holder of an associate or vocational degree (including secondary school) would generally be a "technician."

These positions form approximately 5% of the total workforce. The number within the relatively small, non-traditional export sector would be even less. Thus, because of the reduced number of possible participants, given adequate Mission support the proposed project could have significant impact on the growth of this sector and its contribution to the economy. Those receiving training could greatly increase the managerial and technical capacity of this sector within a relatively short period of time.

This study also finds that lack of adequately trained personnel is currently hindering expansion of this sector, and thus the success of diversification efforts. Of the companies interviewed, a full one-fourth feel that lack of trained employees is the one most important limitation to future growth and well-being of their firm: Over 54% consider that lack of training is a severe constraint, while another 17% believe it to be a moderate limitation. Only 29% do not consider lack of trained personnel a limiting factor, and of these 70% already have some sort of training program in place.

III. METHODOLOGY

This project is directed toward non-traditional exporters. However, a much larger number of firms than currently export have a potential to export. This group of current and potential exporters of non-traditional products is the "universe of interest" for this program and this study.

The most recent information suggests that in this group there are 1427 firms with a total employment of about 124,690 people.

Table 1. No. of Firms and Employment, by Sector

	<u>Number</u>	<u>Employment</u>
Agroindustry	303	30,300
Agribusiness	83	12,000
Free Zone	131	45,840
Other Light Industry	861	27,550
Banking Services	52	9,000
Total	1427	124,690

Sources: Compilation of data from ONE, CEDOPEX, and ISA-CADER.

On the basis of this information about the firms of interest, a sample was determined. Conversations with U.S. AID led to the inclusion of financial services as representative of support sectors needed to encourage diversification efforts but to the exclusion of specific other sectors, such as insurance, international transportation and communications. These sectors, it was noted, could be included without much difficulty in the program design if required. Heavy industry, mining, tourism and traditional exports were excluded. The remaining firms were stratified according to a method that accounted for varying training needs, and the importance of each sector the economy in terms of number of firms and of workers.¹

A previous pilot study had indicated that to achieve the desired level of confidence in the results (95% confidence; ± 4 error), the sample should include 136 firms. One hundred sixteen of 141 firms actually responded, for a response rate of 82%. This is sufficient to maintain the statistical validity of the results. In fact the reduction in the sample variance allows us to reduce the error. Results should be interpreted at the 95% confidence level, with a ± 3.15 overall error. For short-term training, the error is ± 1.76 ; for long-term, ± 0.36 .

The following table shows the actual stratification of the sample, including the correction for firm size suggested by Snedecor and Cochran.

	% by No. Firms	Corrected %	Actual No. in Sample
Agribusiness	6%	28%	32 (27%)
Agroindustry	21	22	23 (20%)
Free Zone	9	22	28 (24%)
Other Light Industry	60	18	23 (20%)
Banking Services	4	11	10 (9%)
Total	100%	100%	116

Response rate: 85%

Confidence Level: 95%

Error: Overall, ± 3.15 ; Short-term, ± 1.76 ; Long-term, ± 0.36 .

Standard Deviation: Overall, 9.75; Short-term, 7.28; Long-term, 3.32.

¹George W. Snedecor and William G. Cochran, Statistical Methods, Seventh Edition. Ames, Iowa: The Iowa State University Press, 1980: 446-448.

IV. RESULTS

The results of the survey are presented in the following order:

1. Level of Interest
2. Total Demand
- 3-4. Duration of Training
5. Source of Demand
6. Types of Training Desired
7. Level of Support
- 8-9. Future Demand

The companies interviewed have the following profile, in terms of market and participation in their own training programs.

Table 3. Company Profiles

	<u>Currently Export?</u>	<u>Have Own Program?</u>
OVERALL	63%	51%
Agribusiness	86	48
Agroindustry	20	50
Other Light Industry	20	39
Free Zone	100	64

1. Almost 60% of the companies indicated they were interested in receiving training.

Of these, 60% do not currently have a training program (as compared to 51% overall which do).

Interestingly, of those which have a training program, 50% still desire to participate, indicating further or different types of training programs as a need.

Sectors varied in their desire for training.² Ninety percent of the financial services sector desire to participate, as do 65-70% of the agricultural and other light industries. Only 29% of free zone companies showed interest (see Table 4).

Table 4. Level of Interest, Overall and by Sector

	<u>Interested?</u>	<u>Of those , Own Program?</u>
OVERALL	59%	41%
Agribusiness	69	38
Agroindustry	65	50
Other Industry	65	33
Free Zone	29	50
Banking Services	90	50

Whether a firm is a current exporter or a potential exporter (as in the case of many of the light industries) does not seem to bear on a firm's desire to participate. Smaller firms (less than \$DR 300,000 annual sales) are less likely to participate, however, than medium and larger size firms. (see Table 5).

2. On average (including all firms in the sample), firms want 5.37 employees trained in administrative, professional or technical areas each year. With 1427 firms in the sectors of interest, this corresponds to a total annual demand of approximately 7660 persons. Given the possible margin of error, we can be 95% certain that the true

² The confidence levels and errors noted on p.4 can only be applied with full validity to the overall sample. Stratification improves overall precision by allowing the sample to reflect the "universe" better. Although stratification thus allows the results to be analyzed by sector (or strata), these sector results are less reliable, and should be used with caution.

demand is between 2.22 and 8.52 persons per company, or between approximately 3200 and 12,200 persons overall.

3. Of this demand, 79% is for short-term training (1 to 6 months) and 21% is for long-term training (1 year or more, such as Masters or PhD studies).

This corresponds to an average of 4.25 persons per company trained in short courses (true demand between 3550 and 8580 persons) and 1.13 in long-term training (true demand between 1100 and 2130 persons).

4. This division of demand does not vary greatly according to category of training received, although some general preference is expressed toward longer terms for professional training, and shorter for technical training.

Additionally, although results are less certain, the non-agricultural sectors express an even greater demand for short-term training. In free zone industries, for example, the demand is for practically all short-term training (see Table 6).

5. These preferences have an impact on the source of demand for the short- and long-term training. For example, almost 40% of the demand for short courses comes from the agribusiness sector, with the remainder distributed fairly evenly in other sectors.

Agribusiness demand accounts for over 65% of long-term training, with agroindustry accounting for about 20% and the others considerably less (see Table 7). These figures greatly exceed the actual representation of the agricultural sector within the sample.

Table 5. Interest Level by Size and Market

Of those with characteristic, % interested:	Size			Market	
	Small	Med	Large	Export	Dom
OVERALL	63%	72%	71%	72%	73%
Agribusiness	67	77	80	75	80
Agroindustry	57	75	80	50	81
Other Light Industry	57	91	50	75	69
Free Zone	75	38	50	29	n.a.

* Banking Services were not asked to respond.

Table 6. Duration of Training, by Area

	<u>Admin</u>	<u>Prof</u>	<u>Tech</u>	<u>Overall</u>
OVERALL				
Short	79%	74%	83%	79%
Long	21	26	17	21
Agribusiness				
Short	70	64	69	68
Long	30	36	31	32
Agroindustry				
Short	78	64	89	77
Long	22	36	11	23
Other Light Industry				
Short	74	84	100	86
Long	26	16	0	14
Free Zone				
Short	100	96	100	99
Long	0	4	0	1
Banking Services				
Short	89	86	100	89
Long	11	14	0	11

Table 7. Source of Demand

	<u>Admin</u>	<u>Prof</u>	<u>Tech</u>	<u>Overall</u>
FOR SHORT-TERM:				
Agribusiness	33%	38%	40%	37%
Agroindustry	16	15	17	16
Other Light Industry	13	15	15	15
Free Zone	14	18	23	18
Banking Services	23	13	5	14
FOR LONG-TERM:				
Agribusiness	53	59	89	66
Agroindustry	18	24	11	18
Other Light Industry	18	8	0	9
Free Zone	0	2	0	1
Banking Services	11	6	0	6

6. Of the short-term training, the greatest demand is in technical and administrative areas (38% and 35% of demand, respectively). Demand for professional training is somewhat less (28%). These relationships hold regardless of industrial sector, except free zone companies which have an even more marked preference (47%) for technical training (see Table 8).

Of the long-term training, the greatest demand is in professional and administrative areas (37% and 34%, respectively). Technical training accounts for 28% of demand (see Table 9).

Table 8. Demand for Short - Term Training, by Area

	<u>Admin</u>	<u>Prof</u>	<u>Tech</u>
OVERALL	35%	28%	38%
Agribusiness	31	28	40
Agroindustry	35	26	39
Other Light Industry	32	29	39
Free Zone	26	26	47
Banking Services	60	27	13

Table 9. Demand for Long - Term Training, by Area

	<u>Admin</u>	<u>Prof</u>	<u>Tech</u>
OVERALL	34%	37%	28%
Agribusiness	28	34	38
Agroindustry	33	50	17
Other Light Industry	67	33	0
Free Zone	0	100	0
Banking Services	63	38	0

Specifically, in both the short- and long-term training, the strongest preference was shown for courses in marketing. Training at the professional level in computers and information systems was also a prime concern. A strong desire was also expressed for short courses in accounting, and long-term training in business administration. Table 10 indicates demand for each specific area, noting the percentage of total demand corresponding to that area.

Table 10. Demand by Specific Area

(% of Total Indicated Demand)

IN SHORT-TERM:

7%

Marketing

6%

Accounting

Computers and Information
Systems (professional)

5%

Agribusiness Administration
Personnel
Quality Control
Worker Supervision

4%

Finance
Maintenance/Repair of
Equipment

3%

Business Administration
Agronomy
Food Technology (professional)
Agricultural Production

Industrial Engineering
Mechanical Engineering
Industrial Security

2%

Statistics
Electrical Engineering
Chemical Engineering

Computer Operation (technical)
Packing
Food Technology (technical)

1%

Textile Engineering
Economics
Law
Plant Physiology
Horticulture
Veterinary Med (professional
and technical)

Textile (technical)
Livestock Production
Irrigation
Pesticide/Fertilizer Use
Agricultural Mechanics
Pisciculture
Soil Science

0%

Ceramic Engineering
Civil Engineering
Biology
Forestry

Ecology
Entomology
Plant Pathology

Chemistry
Graphic Arts/Design
Ag. Education/Extension

Table 10 (cont). Demand by Specific Area

IN LONG-TERM:

9%

Marketing

6%

Business Administration
Computers and Information
Systems (professional)

5%

Agribusiness Administration
Accounting
Agronomy
Food Technology (professional)
Agricultural Production

4%

Industrial Engineering
Quality Control

3%

Personnel
Finance
Maintenance/Repair of
Equipment
Animal Production

2%

Statistics
Mechanical Engineering
Electrical Engineering
Chemical Engineering:
Law
Plant Physiology

Horticulture
Veterinary (professional and
technical)
Computer Operation (technical)
Food Technology (technical)
Soil Science

1%

Civil Engineering
Textile Engineering
Ecology
Entomology
Plant Pathology
Chemistry
Graphic Arts/Design

Packing
Worker Supervision
Forestry
Irrigation
Pesticide/Fertilizer Use
Agricultural Mechanics
Pisciculture

0%

Ceramic Engineering
Biology
Industrial Security
Textile (technical)

Ag. Education/Extension

7. Of the firms which were interested in receiving training, only 2% indicated they would not provide any additional support for the participant.

Of the remainder,

92% would guarantee the participant's employment upon return.

58% would continue paying salary during study.

68% would hire a replacement during study.

62% would pay travel costs.

Table 1 details these results.

Table 11. Level of Support for Participant

	<u>Employment</u>	<u>Salary</u>	<u>Substitute</u>	<u>Travel</u>
OVERALL	92%	58%	68%	62%
Agribusiness	95	45	68	73
Agroindustry	93	71	93	64
Other Light Ind	87	80	73	60
Free Zone	100	13	13	13
Banking Services	83	27	20	27

8. Future demand is extremely difficult to predict based on questionnaire data. Very few firms were willing to project training needs beyond the immediate future, often citing genuine concerns about economic stability as an obstacle to planning. In general, firms that did respond repeated figures for current (1987) demand, in the same areas, for the period 1988 - 1990.

This evidence suggests that demand for training in the future will be at least as strong as it is now, barring an economic downturn. This current demand, however, may include some "unsatisfied" demand rather than annual demand. That is, the demand figures may reflect immediate needs that have become pent-up over time because of lack of training opportunities, rather than a regularized annual demand for training. Future demand might thus decline somewhat from current indications.

Another consideration may offset this concern. Growth in the non-traditional export sector, and the potential for growth, is exceptionally strong. The Secretariat of Industry and Commerce (SEIC) notes that in recent years, non-agricultural related industries have grown at a 3.8% annual rate. This includes predominantly light industries, and those in free zones.

The non-traditional agricultural sector has grown at even more impressive rates. Almost all of these agribusinesses have been created since 1980, as have a substantial number of agroindustries. In fact, over 5% of the total agroindustries in the country have been created since the beginning of this year. Rates of growth in this sector therefore average 25-30% or so a year, but these are misleading because the sector began with such a low base number of firms. Inevitably this rate of growth will slow, but government policies designed to encourage diversification efforts should sustain the growth at a reasonable pace into the near future. A 5% per year growth rate is not unrealistic.

In sum, demand for training for the period 1988-1993 will probably at least maintain 1987 levels, and perhaps even increase in the agricultural sector.

9. Companies indicated that future training should consist of 82% short-term training and 18% long-term training, roughly the same relationship for current needs. This correspondence generally holds true across sectors, although agribusiness suggests a need for more long-term training, particularly in professional and administrative areas (see Table 12).

Table 12. Future Training Duration

	<u>Short</u>	<u>Long</u>
OVERALL	82%	18%
Agribusiness	58	42
Agroindustry	100	0
Other Light Industry	92	8
Free Zone	78	12
Banking Services	100	0

V. CONCLUDING REMARKS

1. The need for training is urgent. National institutions are not able to meet the demand for trained personnel in the sectors surveyed. This poses a severe constraint on future growth and development of the non-traditional export private sector. Some companies wishing to expand into exports also indicated that they could not for lack of trained personnel, particularly technicians. If this constraint is not remedied shortly, it could seriously weaken government and private sector efforts to diversify exports.

2. As a complement to export diversification efforts, US AID's training program should concentrate on short-term training, primarily for agribusiness, which as a sector is generally export-oriented already.

Agro- and other light industry currently serve primarily the domestic market. While their interest in training is high, the shift to the export market will take some time. The impact on export earnings will not be as immediate as in the agribusiness sector.

Free zones show less interest in the program, but represent a substantial number of firms and workers. Free zones are also a clear target group, though many already have training programs. This apparently demonstrates a financial capability the other sectors may not possess.

The service sectors must expand rapidly to support diversification efforts, and training in that sector is also critical. Informal conversations with business-people suggest that information services and transportation are areas of need, in addition to financial services.

3. Medium and larger companies are more likely to identify training as a need. Additionally, a trained person placed in one of these companies is likely to have greater economic and educational impact than if placed in a smaller one. This again weighs against targeting other light industries outside free zones, because they tend to be fairly small on average.
4. Companies feel an immediate need for technical and basic managerial training. Market knowledge, as well as negotiating techniques and familiarity with contract procedures, are of prime importance.

Professional and in-depth managerial training is also needed, though not so urgently.

5. Nineteen percent of the people interviewed were women, usually personnel directors and almost never actual administrators. Of course this does not directly indicate how many of those trained will be women, but it does show that those making decisions about who will go will not be women. US AID may want to consider this factor in program design.
6. Executives also recommend that US AID adopt a "multiplier" or "cluster" approach in program design, rather than simply allocating training opportunities to any company that presents a need.

The multiplier approach would emphasize training those who have a multiplier effect, those in universities and in consulting firms and service sectors who will be able to offer assistance to a large number of firms. In this

94

way even small firms, which may contract assistance, may be reached effectively. Long-term training should focus on these people.

The cluster approach involves the selection of groups of potential entrepreneurs in leading or potential export industries (cut flowers, shrimp culture, textiles and furniture, for example). Administrators and technicians of like industries would receive training in specific needs through intensive, short courses.

This should allow these firms to overcome major constraints fairly quickly. Light industries should also benefit from this approach, as it could concentrate on firms with an entrepreneurial spirit predisposed to export but presently lacking sufficient knowledge.

85

A N N E X I

QUESTIONS ASKED OF POTENTIAL IMPLEMENTING INSTITUTIONS

QUESTIONS ASKED OF POTENTIAL IMPLEMENTING INSTITUTIONS

1. Would your institution be interested in implementing this project? Why?
2. What is the legal status of your organization? Private, public, non-profit?
3. What is the organization structure of your institution?
4. How many people are employed by the institution?
5. How many offices/branches does the organization have? Where are they located?
6. What is your organization's goal and objectives for 1986-1991?
7. What physical facilities does the institution have?
8. Do you have professional employees trained in Education Planning and Administration? If so, how many?
9. How many and what type of members does your institution have?
10. If you had to determine the training needs of the private sector in the Dominican Republic, how would you go about it? Have you ever done it before?
11. What are the training needs of business in the Dominican Republic? What problems do you foresee in providing training to business/industry employees?
12. What is the relationship between your institution and businesses and industry in the Dominican Republic? What makes your institution qualified to identify candidates for training from Dominican businesses and industry?
13. How familiar are you with training institutions in the U.S. and third countries?
14. How would you communicate information on training to the business community?
15. Has your institution ever recruited, selected, placed, counselled, monitored and evaluated students?
16. Has your institution ever placed any Dominican students in degree or non-degree programs in U.S. or third country institutions? Has your institution ever done this following AID procedures and regulations?

17. Has your institution ever organized short-term in-country training programs? If yes, which ones? Who participated? Was foreign technical assistance ever brought in for these programs?
18. Are you familiar with what other major donor institutions are doing in manpower development in the Dominican Republic?
19. From what sources does your institution receive funding?
20. Has the institution balanced its income against expenditures in the past three years?
21. What financial reports are prepared? To whom are they circulated?
22. Some of the financial management activities that must be carried out for AID projects are as follows:
 - developing detailed, time-phased financial plans;
 - maintaining a project accounting system;
 - disbursing funds or preparing requests for AID to disburse funds;
 - certifying invoices for payment.

Is your institution qualified to do these activities?

23. Has the institution ever procured commodities or services with AID funds? Has it ever administered AID funds? If yes, what was the value (in dollars)?
24. If your institution were chosen to implement this project, what human/technical/physical resources would it need? For instance, what type and quantity of personnel would have to be hired? What equipment would have to be purchased? Could you provide us an itemized budget that your institution would need to implement this project?
25. To conclude our analysis, we are requesting the following documents: organization chart, publications, legal statutes and, possibly, 1985/1986 budget statements. This information will be considered confidential.

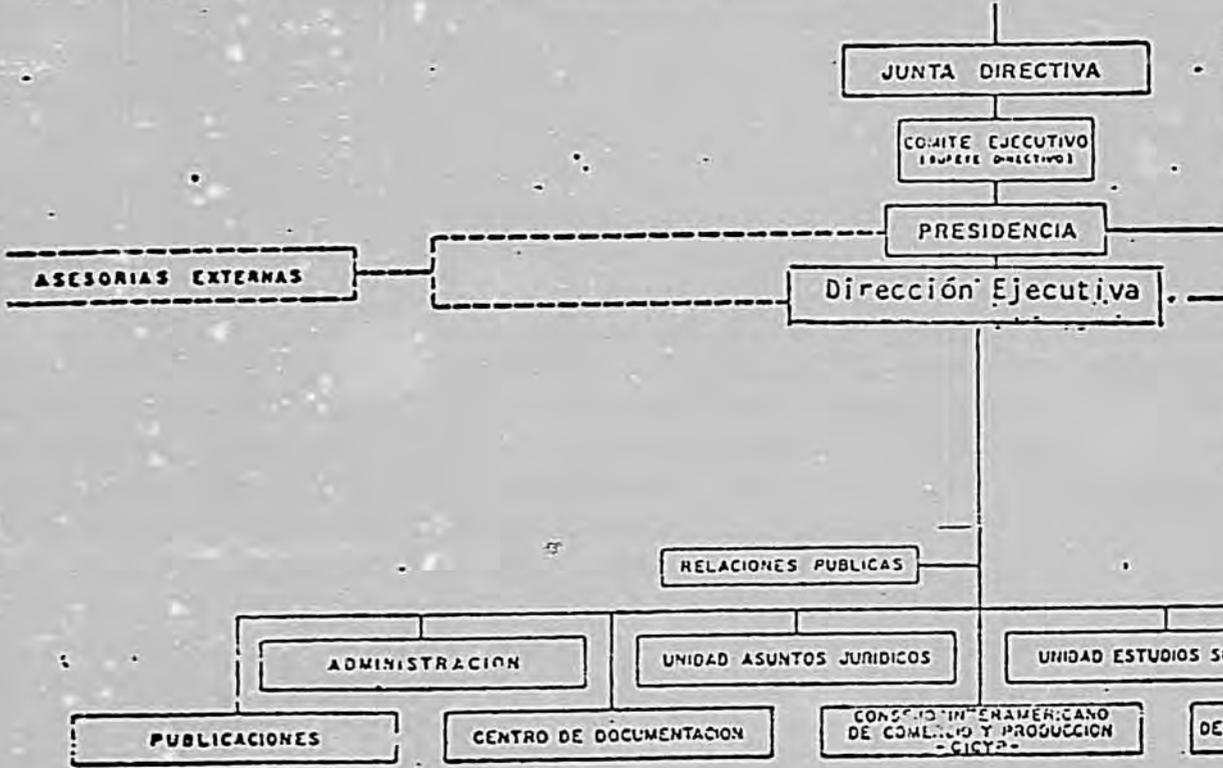
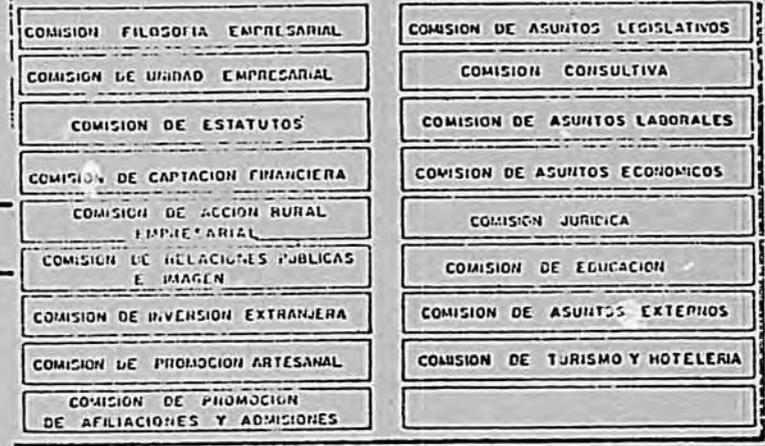
A N N E X I I I

ORGANIZATION CHART OF THE NATIONAL COUNCIL OF BUSINESSMEN (CNHE)
AND A LIST OF ITS MEMBERS

CONSEJO NACIONAL DE HOMBRES DE EMPRESA, INC.



COMISIONES



90



Consejo Nacional de Hombres de Empresa, Inc.

Av. A. Lincoln No. 1056 7. piso. Santo Domingo, R.D. • Apartado Postal 22020

Teléfonos: 567-7164-567-7136 • Telex: Hompre 3460460

562-1414

LISTA DE ASOCIACIONES AFILIADAS

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|---|---|
| 1. Asoc. Dominicana de Anunciantes, Inc.
Av. 27 de Febrero 311, Edif. Tele-3
Ciudad | Lic. J. Oveyeiro Mejía Soto
Tel. 567-1394 |
| 2. Asoc. de Bancos de Desarrollo, Inc.
Av. 27 de Febrero No. 54
Ciudad | Lic. Víctor A. Báez Gómez
Tel. 565-9080 |
| 3. Asoc. de Bancos de la R.D.
Av. John F. Kennedy 16
Ciudad | Sr. Pedro A. Rodríguez
Tel. 567-4241-42 |
| 4. Asoc. Dominicana de Corredores de Seguros, Inc.
Av. A. Lincoln Edif. Concordia
Ciudad | Sr. Antonio Rodríguez V.
Tel. 562-5391 |
| 5. Asoc. Dominicana de Distribuidores de Vehículos y Efectos del Hogar, Inc.
Av. A. Lincoln 1056
Ciudad | Sr. Rafael Pimentel
Tel. / 562-1676 |
| 6. Asoc. Dominicana de Exportadores, Inc.
Av. Winston Churchill No. 5 Piso 2
Ciudad | Lic. Luisa de Windt de T.
Tel. 532-6779 |
| 7. Asoc. Dominicana de Industrias Textiles
Av. México Esq. Alma Mater
Edif. Plaza México III
Ciudad | Sr. Joaquín Sánchez Arguelle
Tel. 567-5949 |
| 8. Asoc. Dominicana de Productores de Leche
Av. Máximo Gómez No. 51
Ciudad | Lic. Ramón G. Antonio
Tel. 682-4707 |
| 9. Asoc. Dominicana de Productores de Ron, Inc.
Apartado Postal 1096
Santiago, R.D. | Sr. J. A. Bermúdez
Tel. 582-5131 / 562-4436 |
| 10. Asoc. de Empresas Industriales de Herrera
Av. 27 de Febrero Esq. Av. Privada
Ciudad | Ing. José A. Turull
Tel. 566-6151 / 533-2747 |



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| 11. Asoc. Dom. de Fabricantes de Conservas del Agro
Av. 27 de Febrero Edif. Galerías Comerciales
Ciudad | Sr. Miguel Barceló
Tel. 567-6768 / 685-5102 |
| 12. Asoc. de Fabricantes de Embutidos y
Procesados de Carne, Inc.,
Av. Winston Churchill Esq. Calle 10
Ciudad | Ing. Pedro Rivera
Tel. 567-8261 / 596-3487 |
| 13. Asoc. de Fabricantes e Importadores de
Productos Agroquímicos, Inc.
Av. A. Lincoln Edif. Concordia
Ciudad | Sr. José E. Bono Díaz
Tel. 562-5404 / 688-2291 |
| 14. Asoc. de Hacendados y Agricultores, Inc.
Av. Sarasota No. 4
Ciudad | Lic. Silvestre Alba de Moya
Tel. 533-2717 |
| 15. Asoc. de Industrias de la R.D., Inc.
Av. Sarasota No. 4
Ciudad | Ing. José del Ca. Ariza
Tel. 532-5523 |
| 16. Asoc. de Industrias Región Norte
Calle Las Carreras No. 7
Santiago, R.D. | Sr. Jean Haché
Tel. 582-4040 / 582-3111 |
| 17. Asoc. Interamericana de Hombres de Empresa
Av. Tiradentes Esq. México Edif. Plaza México
Ciudad | Sr. Diógenes Marino Gómez
Tel. 567-0165-66 / 562-3929 |
| 18. Asoc. Nacional de Hoteles y Restaurantes, Inc.
Av. Sarasota, Hotel El Embajador
Ciudad | Sr. Mario Bonetti
Tel. 532-2907 |
| 19. Asoc. Nacional de Jóvenes Empresarios, Inc.
Av. México Esq. Alma Mater Apto. 202
Ciudad | Sr. Francisco A. Rodríguez
Tel. 567-5949 / 567-6436 |
| 20. Asoc. de Navieros de Santo Domingo
José Contreras No. 108
Ciudad | Sr. Juan Periche
Tel. 533-4931 / 562-1661 |
| 21. Asoc. de Fabricantes de Productos
Químicos, Cosméticos y Afines, Inc.
José Desiderio Valverde 103
Ciudad | Sra. Mariana Gómez
Tel. 689-7965 |



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| 22. Asoc. de Ejecutivos de Ventas y
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Tel. 567-1394 |
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Ciudad | Dr. Juan Gassó Pereyra
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| 24. Asoc. de Representantes de Firmas
Extranjeras, Inc.
Alexander Fleming No. 9
Ciudad | Sr. César Bodden V.
Tel. 566-0462 |
| 25. Cámara Americana de Comercio de la R.D.
Av. Tiradentes Edif. Plaza Naco
Ciudad | Sr. Frank R. Rainieri
Tel. 562-1661 |
| 26. Cámara Dominicana de Aseguradores y
Reaseguradores, Inc.
Av. Winston Churchill Esq. Calle 16
Ciudad | Sr. Marino Ginebra
Tel. 567-0039 |
| 27. Cámara de Comercio Domínico-Japonesa, Inc.
Apartado Postal 918
Ciudad | Sr. Carlos Bencosme
Tel. 689-2656 / 682-6603 |
| 28. Cámara Dominicana de la Construcción, Inc.
Calle Julio Ortega Frier Esq. Independencia
Apartamentos Marcos 4, 2da. planta
Ciudad | Ing. Diego de Moya Canaán
Tel. 533-3121/682-3414 |
| 29. Cámara Oficial de Comercio, Agricultura
e Industria del Distrito Nacional, Inc.
Arzobispo Nouel No. 52
Ciudad | Lic. Felipe Auffan Najji
Tel. 682-2688 |
| 30. Cámara Oficial de Comercio, Agricultura e
Industrial de Santiago de los Caballeros
Calle Las Carreras No. 7
Santiago, R.D. | Sr. Pedro Nicasio
Tel. 582-2856 |
| 31. Confederación Patronal de la R.D.
Calle Cambronel Edif. Mella
Ciudad | Ing. Heriberto de Castro
Tel. 688-3017 |



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| 32. Federación Dom. de Colonos Azucareros
Calle Paul Harris No. 3
Ciudad | Sr. Nicolás Casasnova
Tel. 533-5355 |
| 33. Liga Dom. de Asoc. de Ahorros y Préstamos
Calle México Esq. Rosa Duarte
Ciudad | Sr. Hugo González López
Tel. 582-2421 / 682-9752 |
| 34. Asoc. Nacional de Importadores, Inc.
Calle Gustavo Mejía Ricart 22
Ciudad | Dr. Andrés Dauhajre
Tel. 562-6909 / 566-5111 |
| 35. Asoc. de Bancos Hipotecarios de la
Construcción, Inc.
Av. 27 de Febrero
Ciudad | Lic. Manuel E. Jiménez
Tel. 565-7878 |
| 36. Asoc. de Suplidores e Industriales de
Materiales de Construcción, Inc.
Av. Bolívar, Plaza Florida Local 8
Ciudad | Lic. Manuel Tavarez
Tel. 533-2121 / 685-8059 |
| 37. Asoc. de Supermercados, Inc.
Calle Guarocuya No. 3
Zona Industrial de Herrera
Ciudad | Sr. Antonio Rivero
Tel. 567-4035 |
| 38. Asoc. de Embotelladores de Bebidas
Gaseosas de la R.D.
Av. 27 de Febrero 234 Edif. Yolanda
Ciudad | Ing. Armando D'Alessandro
Tel. 565-3062 |
| 39. Asoc. Dominicana de Tenerías

Santiago, R.D. | Sr. Carlos Bermúdez
Tel. 582-5174 |
| 40. Asoc. de Comerciantes e Industriales
de Santiago, Inc.
Calle Las Carreras No. 7
Santiago, R.D. | Sr. Domingo Valle
Tel. 582-4028 |
| 41. Asoc. de Empresas Industriales de Haina, Inc.
Zona Industrial de Haina
Ciudad | Sr. Ramón Hungría
Tel. 537-2300 / 537-2500 |



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| 42. Unión de Propietarios de Autobuses, Inc.
Av. Charles Summer
Ciudad | Sr. Isidro Santana
Tel. 565-6681 |
| 43. Asoc. Dom. de Corredores Profesionales
en Bienes Paíces, Inc.
Av. A. Lincoln 126
Ciudad | Sr. Mario E. García A.
Tel. 533-1002 |
| 44. Asoc. Nacional de Industrias de la
Harina, Inc.
Calle 1ra. No. 43 Bella Vista
Ciudad | Sr. Mario Rivadulla
Tel. 562-3471 |
| 45. Consejo Dominicano de Usuarios del
Transporte Internacional, Inc.
Plaza de la Independencia
Ciudad | Dr. José Antonio Martínez
Tel. 566-0788 / 628-0900 |
| 46. Asoc. Dom. de Empresas Agroindustriales
y Afines
Calle 1ra. No. 43 Bella Vista
Ciudad | Lic. Juan A. Pable García
Tel. 567-8281 |
| 47. Asoc. Dom. de Empresas Financieras (ADEFI)
Av. John F. Kennedy, Edif. Compostela
Apto. 2460, Ciudad | Sr. Pedro A. Jáquez
Tel. 567-8271/72 |
| 48. Asoc. Nacional de Bancos de Cambio
José Desiderio Valverde No. 103 (altos)
Apartado Postal 22104, Ciudad | Sr. Elías F. Atallah
Tel. 685-5736 |

95

embros Cooperadores
(63)

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Ens. La Fe, Aptdo. 1432
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Panificadora Pepín
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Villas Agrícolas
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Aníbal de Espinosa 301
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Ave. Abraham Lincoln 1056
Edif. Motorámbur, 3er. piso
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Juan A. Ibarra 122
Ciudad

THE SHELL COMPANY, C. POR A.
Ave. Máximo Gómez 30
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Fantino Falcó
Edif. Plaza Naco 2do. piso
Ciudad

QUIMSANTO INDUSTRIAL
Nicolás de Ovando 338
Ciudad

YOUNG & RUBICAM DAMARIS
Ave. Los Próceres
Ciudad

Decreto N° 229, que concede la incorporación al "Consejo Nacional de Hombres de Empresa".

JUAN BOSCH

Presidente de la República Dominicana

NUMERO 229

VISTA la Ley N° 520, sobre Asociaciones que no tengan

por objeto un beneficio pecuniario, de fecha 26 de julio de 1920;

En ejercicio de las atribuciones que me confiere el artículo 128 de la Constitución de la República, dicto el siguiente

D E C R E T O :

Art. 1.— Concedo el beneficio de la incorporación al "Consejo Nacional de Hombres de Empresa", domiciliada en la ciudad de Santo Domingo, Distrito Nacional, cuyos estatutos fueron aprobados en la Asamblea Estatutaria celebrada en fecha 30 de marzo de 1963. Dicha incorporación será efectiva tan pronto como la indicada Asociación efectúe el depósito y la publicación a que se refiere el artículo 1 de la citada Ley N° 520.

Art. 2.— Envíese al Ministerio de Justicia para los fines correspondientes.

DADO en Santo Domingo, Distrito Nacional, Capital de la República Dominicana, a los treinta días del mes de mayo del mil novecientos sesenta y tres, años 120° de la Independencia y 100° de la Restauración.

JUAN BOSCH

NOTA: El presente decreto fue publicado oficialmente en el diario "La Nación", de Santo Domingo el día 31 de mayo de 1963.

X
Decreto N° 230, que nombra al Ingeniero Demetrio Gañán Corcho, Representante de la República ante la XI Reunión de Directores de Servicios Nacionales de Erradicación de la Malaria, en México.

JUAN BOSCH

Presidente de la República Dominicana

99

DESCRIPTION OF THE WBS

Described in its simplest form, the WBS rearranges the standard AID procedures for the administrative elements of a PIO/T. Therefore, standard Agency guidance and instructions are adhered to on the administrative aspects of the WBS. The WBS, however, provides more breakdown of the program element, usually called "Participant Training Costs", expanding this line item to include various specific elements in a fixed order which is indicated by numeric sequence.

Following is a general description of the WBS elements which require both narrative description in the PIO/T, RFP, Contract/Grant and Reporting/Billing documents, and also requires specific budget estimates/projections in those documents:

WBS Development Training Format

1.2.1 Salaries. List each individual technician required to perform technical services indicating desired profession and acceptable level or standards within the profession or non-professional classification. For each individual, list; (i) work-months required (one work-month equals 21.7 days) and/or percentage of time expected to be devoted to work during the period stated above and (ii) anticipated salary.

1.2.2 Fringe Benefits. Indicate the percentage used to compute estimate and provide estimated total.

1.3 Consultant(s). List each consultant required for the project indicating (i) the specialty field, (ii) the work-months required and (iii) the anticipated rate per workday. If applicable, add a note here that "fees include travel and transportation costs".

1.2.3 Travel and Transportation. Indicate how many round or one-way trips are expected and identify destination. Indicate estimated travel costs for dependents, if appropriate. Also, include expected transportation for household effects and baggage and vehicles. Add an allowance for estimated storage if long term assignments are anticipated. If orientation or language training is appropriate, include funding for correspondent travel.

1.2.4 Allowances. Identify appropriate allowances and explain basis for estimate. Allowances include such items as per diem, post differential, education, quarters, separate maintenance, language training, orientation, etc.

1.1.2 Equipment, Vehicles, Materials and Supplies. List type of known equipment, vehicles and other materials/supplies required to be purchased for project use with funds provided in PIO/T plus the estimated cost of each.

3.6 - 3.14 Participants Training. List fields in which participants will be trained, length of training period, and where training is planned. Explain basis of estimates (e.g., travel included/excluded, susistance allowance, tuition per participant, etc.).

1.4 Subcontract(s). Identify type of work to be subcontracted indicating percentage of the total scope of work and anticipated amount of each subcontract.

1.1.4 Other Direct Costs. List all other direct costs, such as medical examinations, communication, etc.

1.1.1. Overhead. Indicate the rate used to compute the overhead estimate and provide basis for computation.

1.1.5 Fixed Fee or Profit. Explain the process by which the fixed fee or profit was estimated and state the dollar estimate in column provided.

3.6 Selection The process of choosing qualified and appropriate participants for academic and technical programs in accordance with A.I.D. criteria and procedures. Some subelements generally included in this category are:

- Recruitment

Assessment (English proficiency, GRE, GMAT and SAT applying needs criteria and other selection criteria)

- Health Health examination and certification and insurance (HAC and others)

- Documents (PIO/P and biodata, passport visa rrequest, transcripts PDF forms, applications)

- Logistics International travel; Advanced maintenance; Housing; Escort/Reception

3.7 Placement The process of arranging and negotiating academic or technical programs for participants.

- Search
- Credentials
- Application

English Language and Preparatory Training Specialized short-term training given prior to departure from home country or in the U.S. to overcome deficiencies in a participant's background. Includes, if applicable, the costs of program design, allowances and fees.

3.8.1 English

3.8.2 Other - Science

- Math

3.9 Orientation Pre-program workshops, seminars or informal briefings to prepare participants for their education or training programs and life in the country of training. Includes, if applicable, the costs of program development, allowances and fees.

- Social/Cultural
- Academic/Technical
- Administrative Advanced maintenance; Housing; Escort/Reception

3.10 Support Costs Items associated with the support of the trainee after departure

International Travel

Advanced Maintenance

Housing

Escort/Reception

Domestic Travel

Return Trip Arrangements

2.11 Education/Training Activity The education or training program of an A.I.D. participant. Includes, if applicable, the costs of program development, allowances and fees.

Academic in an accredited institution of higher education for a degree.

Technical training (non-degree) in institutes, seminars, workshops, on-the-job or observation programs.

2.12 Supplement/Complement Training and Internships Any arranged aspects of education and training programs to enable a participant to gain appreciation of U.S. institutions, professional associations and culture. Includes, if applicable, the costs of program development allowances and fees. A program of practical experience and/or on-the-job service usually without financial remuneration to supplement an academic or technical program. Includes, if applicable, the costs of program development, allowances and fees.

OTJ On-the-job training

Observation

Cooperative Education placement

3.13 Monitoring & Counseling Services supplied by the contractor such as normal monitoring of a participant from time of arrival to day of departure or in response to problems or difficulties a participant may encounter while in training. S&T/IT assistance is available for difficult cases.

Academic

Medical

Emotional

Other

2.14 Follow-up & Evaluation Career Development A process of continuing communication and support to participants following completion of their program and return to the home country. Includes, if applicable, the costs of program development, allowances and fees.

Exit Conferences/Debriefing

Question Periodic questionnaire survey's

Job Placement assistance

Alumni Club development/support

Journal subscriptions to journals

Professional Societies memberships

Other short courses

ANNEX L

PROCUREMENT PLAN

1. Technical Assistance

a. U.S. Training Contract

A five-year AID direct, cost reimbursement type contract with a U.S. firm or organization that specializes in providing both home office and field participant training services will be competitively bid and awarded in accordance with AID rules and regulations. The contractor will: 1) provide technical assistance, 2) establish a field office, 3) assist the host country grantee in promotional, recruiting, selection, pre-departure and follow-up activities; 4) manage all participant training programs in compliance with the policies, procedures and regulations in Handbook 10; 5) place, provide financial services and monitor a minimum of 313 over the LOP; 6) provide U.S. backstopping and support services.

In addition, to providing U.S. support services, a field office will be established to provide in-country services related to processing, programming and placement of Dominicans in appropriate U.S. and/or third-country training programs. The Contract institution will be expected to assign qualified long-term and short-term personnel to assist the CNHE in implementing the Project:

Short-Term: U.S. Training Advisor for 30 person months.

Long-Term: Local Administrative Assistant for 60 person months.

b. English Language Training Grant

A grant in the general form of a basic ordering agreement for the administration and provision of a Mission-wide English Language Training (ELT) Program for all long-term participants will be signed. This AID grant will be administered by a locally qualified ELT institution and in all probability will take the form of a basic ordering agreement which will set forth the fixed rates that can be applied on a task order basis for each project as the demand for training dictates. Local costs associated with the ELT will be financed on a fixed fee per trainee based on the institutional requirements of the project including the facilities, faculty, materials, equipment, and TOEFL exam fees. A letter from each host country institution, including the CNHE will authorize AID to use project funding for all long-term participants requiring in-country ELT. The Development Training Project will be charged for the training course on a fixed-fee, task order basis.

Arrangements for a on-going ELT evaluation and institutional TOEFL test administration will be financed from multiple PD&S accounts over a three year period. Personnel requirements from a U.S. firm or university will include:

Short-term:

ESL Curriculum Specialist for 3 person-months over the LOP (1 month per year or 1 visit for two weeks each session).

c. Partners of the America's Sub-Grant:

Upon the signing of the Agreement with the CNHE, a sub-grant will be signed between the CNHE and Partners of the Americas will agree to finance both local and U.S. administrative costs as well as participant training expenses for a minimum of 4 Masters and 30 short-term trainees. The terms and conditions will specify that the Partner's will manage on a cost-reimbursement basis all expenses related to the \$300,000 granted to the organization. Technical assistance required to implement the sub-grant will include:

Long-Term:

Local full-time Executive Director over a 36 month period

Local part-time Secretary/Accountant over a 36 month period

d. Evaluation/Audit

All of the evaluation/audit activities are expected to be AID direct contracts and will be awarded in conformance with AID rules and regulations. It is anticipated that a team of three persons over a four week period will be able to perform the mid-term; however, this assumes that all project participant training records and reports are complete and current. The final evaluation team will be similarly staffed.

2. Commodities

Commodities to be procured under this project include: a) office furniture, equipment and supplies; b) audio-visual equipment; c) computer equipment; and d) project vehicle. Office related supplies will be procured by the CNHE locally and they will be reimbursed by AID under normal vouchering procedures. The project vehicle, audio-visual, copying and computer equipment will be purchased directly by USAID/DR as soon as possible after the Project Agreement is signed. All commodities to be procured under this project will have their source and origin either in the U.S. or the Dominican Republic.

TABLE

ILLUSTRATIVE TECHNICAL ASSISTANCE PLAN
(Number of Consultants per Person Month)

	<u>FY 86-87</u>		<u>FY 88</u>		<u>FY 89</u>		<u>FY 90</u>		<u>FY 91</u>		<u>TOTAL</u>	
	<u>No.</u>	<u>PM</u>	<u>No.</u>	<u>PM</u>	<u>No.</u>	<u>PM</u>	<u>No.</u>	<u>PM</u>	<u>No.</u>	<u>PM</u>	<u>No.</u>	<u>PM</u>
<u>Short-Term</u>												
1. U.S. Contract Institution U.S. Consultants	1	8	1	8	1	6	1	4	1	2	1	30
2. ELT Grant U.S. Evaluation Consultants	1	1	1	1	1	1					1	3
3. Partners of the Americas Executive Director	1	12	1	12	1	12					1	36
Local Sec./Acct.	1	6	1	6	1	6					1	18
4. Evaluation/Audit					3	1			3	1	6	2
<u>Long-Term</u>												
1. U.S. Contract Institution Local Assistant	1	12	1	12	1	12	1	12	1	12	1	60
2. Partners of the Americas Local Exec. Director	1	12	1	12	1	12					1	36

GENERAL PROCUREMENT IMPLEMENTATION PLAN

(Development Training Project)

<u>Procurement</u>	<u>Office Responsible</u>	<u>CALENDAR</u>						
		<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>1987</u> <u>January</u>
<u>1. Technical Assistance</u>								
a. U.S. Training Contract	HRD, MGT, RCO	Advertise		Review Proposals		Sign Contract		
b. English Language Training - Sub-grant	HRD, CON, MGT, RCO Signing:USAID/ICDA			Sign Sub-grant				
c. Partners of the Americas - Sub-grant	HRD, CON, OD Signing:CNHE/Partners	Sign Sub-grant						
<u>2. Commodities</u>								
a. Office furniture, equipment and supplies	HRD, MGT, CNHE, CON	Prepare specifications, receive quota- tions and order				Delivery		
b. Audio-visual equipment	HRD, MGT, CON	Prepare specifications, receive quota- tions and order				Delivery		
c. Computer equipment	HRD, MGT, CON	Prepare specifications, receive quota- tions and order				Delivery		
d. Vehicle	HRD, MGT, CON	Prepare specifications, receive quota- tions and order						Delivery

107

A.I.D. Grant No: 271-K-624

AGREEMENT

BETWEEN

THE GOVERNMENT OF ISRAEL

AND

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

ACTING THROUGH

THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Dated: September 29, 1986

Area and Grant Agreements

EA, IAD (if Loan)

EA, PAFD

EA, CID

GC/EE

AEI, Desk

AEI/IR Officer

AEI/PD Officer & File

PFC/CDIE/DI

108

Agreement, dated September 29, 1986 between the Government of Israel ("Israel") and the Government of the United States of America, acting through the Agency for International Development ("A.I.D."), together referred to as the "Parties."

ARTICLE I

The Grant

To support the economic and political stability of Israel, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant to Israel under the terms of this Agreement not to exceed Three Hundred Seventy Five Million United States Dollars (\$375,000,000) (the "Grant").

ARTICLE II

Condition Precedent to Disbursement

SECTION 2.1. Condition Precedent to Disbursement

Prior to the disbursement of the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will

be made, Israel will, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., a statement of the name of the person holding or acting in the office specified in Section 5.2, and of any additional representatives, together with a specimen signature of each person specified in such statement.

SECTION 2.2. Notification

When A.I.D. has determined that the condition precedent specified in Section 2.1 has been met, it will promptly notify Israel.

SECTION 2.3. Terminal Date for Condition Precedent

If the condition specified in Section 2.1 has not been met within ninety (90) days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Israel.

ARTICLE III

Disbursement

SECTION 3.1. Disbursement of the Grant

After satisfaction of the condition precedent, A.I.D. will deposit in a bank designated by Israel the sum of Three Hundred Seventy Five Million United States Dollars (\$375,000,000).

SECTION 3.2. Date of Disbursement

Disbursement by A.I.D. will be deemed to occur on the date A.I.D. makes desposit to the bank designated by Israel in accordance with Section 3.1.

ARTICLE IV

Special Covenants

SECTION 4.1. No use for Military Purpose

It is the understanding of the Parties that the Grant will not be used for financing military requirements of any kind, including the procurement of commodities or services for military purposes.

SECTION 4.2. Use Only Within Pre-1967 Boundaries

Program uses of the Grant shall be restricted to the geographic areas which were subject to the Government of Israel's administration prior to June 5, 1967.

ARTICLE V

Miscellaneous

SECTION 5.1. Communications

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

To Israel: Economic Minister
 Embassy of Israel
 3514 International Drive, N. W.
 Washington, D. C. 20008

To A.I.D.: Director, Office of Project Development
 Bureau for Asia and Near East
 Agency for International Development
 Washington, D. C. 20523

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

SECTION 5.2. Representatives

For all purposes relevant to this Agreement, Israel will be represented by the individual holding or acting in the office of Economic Minister, Embassy of Israel and A.I.D. will be represented by the individual holding or acting in the office of Director, Office of Project Development, Bureau for Asia and Near East, each of whom, by written notice, may designate additional representatives for all purposes.

The names of the representatives of Israel, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

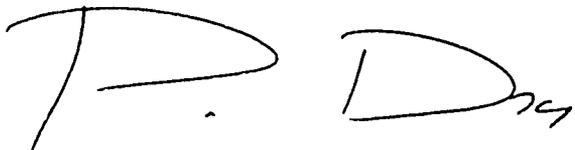
SECTION 5.3. Amendment

This Agreement may be amended by the execution of written amendments by the authorized representatives of both Parties.

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

GOVERNMENT OF ISRAEL

UNITED STATES OF AMERICA



By: Pinhas A. Dror

Title: Minister

Economic Affairs



By: Charles W. Greenleaf, Jr.

Title: Assistant Administrator

Bureau for Asia and
Near East