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UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT

NEPAL

PROJECT PAPER

DEVELOPMENT TRAINING

367-0152

AUGUST 1985

UNCLASSIFIED

DEVELOPMENT TRAINING PROJECT  
(367-0152)

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LIST OF ACRONYMS

AETR	Academic Enrollment and Term Report
AID	Agency for International Development
AID/IG	Agency for International Development/Inspector General
AIM	Asian Institute of Management
AIMA	All India Management Association
AIT	Asian Institute of Technology
ATP	Annual Training Plan
BPWC	Business and Professional Women's Club of Nepal
CDSS	Country Development Strategy Statement
CF	Call Forward
CP	Condition Precedent
DTP	Development Training Project, 367-0152
ELI	English Language Institute
FAA	Foreign Assistance Act
GOI	Government of India
GTZ	German Association for Technical Assistance
HMG/N	His Majesty's Government of Nepal
IAAS II	Institute of Agriculture and Animal Science II Project, 367-0148
ILO	International Labor Organization
IOM	Institute of Management
IQC	Indefinite Quantity Contract
ITP	India Training Program
MAN	Management Association of Nepal
MDT	Manpower Development Training Project (1973-1980)
MOF	Ministry of Finance
NPC	National Planning Commission, HMG/N
OYB	Operational Year Budget
PID	Project Identification Document
PIL	Project Implementation Letter
PIO/P	Project Implementation Order/Participants
PP	Project Paper
PTMS	Participant Training Management System
RNAC	Royal Nepal Airlines Corporation
SFCA	Special Foreign Currency Account
S&T/IT	Bureau of Science and Technology, Office of International Training (AID/Washington)
TC	Third Country (countries other than Nepal or the U.S.)
TIP	Training Implementation Plan
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
USAID/Nepal	United States Agency for International Development in Nepal
USEF/I	United States Education Foundation, India
USG	United States Government
USIS	United States Information Service
WID	Women in Development

<b>AGENCY FOR INTERNATIONAL DEVELOPMENT</b>		<b>1. TRANSACTION CODE</b>		<b>DOCUMENT CODE</b> <b>3</b>
<b>PROJECT DATA SHEET</b>		<input type="checkbox"/> A = Add <input checked="" type="checkbox"/> C = Change <input type="checkbox"/> D = Delete		
<b>2. COUNTRY/ENTITY</b> NEPAL		<b>3. PROJECT NUMBER</b> 367-0152		
<b>4. BUREAU/OFFICE</b> Asia Near East (ANE) [04]		<b>5. PROJECT TITLE (maximum 40 characters)</b> Development Training		
<b>6. PROJECT ASSISTANCE COMPLETION DATE (PACD)</b> MM DD YY 09 30 92		<b>7. ESTIMATED DATE OF OBLIGATION</b> (Under 'B' below, enter 1, 2, 3, or 4) A. Initial FY 85 B. Quarter 4 C. Final FY 91		

8. COSTS (\$000 OR EQUIVALENT \$1 = NRs. 18.0)						
A. FUNDING SOURCE	FIRST FY 1985			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	1,000		1,000	6,300		6,300
(Grant)	( )	( )	( )	( 6,300 )	( )	( 6,300 )
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S.						
1.						
2.						
Host Country					1,500	1,500
Other Donor(s)						
<b>TOTALS</b>	1,000		1,000	6,300	1,500	7,800

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	601	700				250			5,550
(2) ARDN	601	700				750			750
(3)									
(4)									
<b>TOTALS</b>						1,000			6,300

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)						11. SECONDARY PURPOSE CODE	
710	720	721	740	760	740	660	

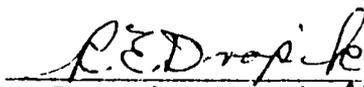
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)							
A. Code	BWW	INTR					
B. Amount	1,500	6,300					

13. PROJECT PURPOSE (maximum 480 characters)

To strengthen the analytical, managerial and technical skills of public and private sector manpower in key development areas.

14. SCHEDULED EVALUATIONS				15. SOURCE/ORIGIN OF GOODS AND SERVICES			
Interim	MM YY	MM YY	Final	MM YY			
	09 88			01 92			
				<input checked="" type="checkbox"/> 000 <input checked="" type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify)			

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

  
 Raymond E. Dropik  
 Controller, USAID/Nepal

8/14/85  
 Date

<b>17. APPROVED BY</b>	Signature	<b>18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION</b>	
	Title		
	Janet C. Ballantyne Acting Director, USAID/Nepal	MM DD YY 08 15 85	MM DD YY

II.

UNITED STATES OF AMERICA  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
MISSION TO NEPAL

PROJECT AUTHORIZATION

NEPAL

Development Training Project  
Project No. 367-0152

Pursuant to Section 105 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Development Training Project ("the Project") for Nepal ("the Cooperating Country") involving planned obligations of not to exceed six million three hundred thousand U.S. dollars (\$6,300,000) in grant funds over a seven year period from the date of authorization, subject to the availability of funds in accordance with the AID OYB allotment process, to help in financing foreign exchange and local currency costs of the Project. The planned life of the Project is seven years from the date of initial obligation, until September 30, 1992.

The Project will improve the institutional capacity of Nepalese agencies and enterprises--public and private--to conduct activities in development sectors of high priority both to the Cooperating Country and the United States through training of selected manpower in analytical, managerial and technical skills.

The Project Agreement(s) which may be negotiated and executed by the Officer(s) to whom such authority is delegated in accordance with AID Regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other items and conditions as AID may deem appropriate:

A. Source and Origin of Commodities, Nationality of Services

Commodities financed by AID under the Project shall have their source and origin in the Cooperating Country, in the United States (000) or in countries included in AID Geographic Code 941, except as AID may otherwise agree in writing. The suppliers of commodities or services, including ocean shipping, shall have the Cooperating Country, the United States or countries included in AID Geographic Code 941 as their place of nationality, except as AID may otherwise agree in writing.

B. Conditions Precedent to Initial Disbursement

Prior to the first disbursement under the grant, or to the issuance by AID of documentation pursuant to which disbursement will be made, the Cooperating Country will, except as may otherwise be agreed in writing:

1. furnish to AID in form and substance satisfactory to AID documentation confirming designation of a Project Manager by His Majesty's Government of Nepal (HMG/N); and,
2. provide to AID the names of HMG/N and private sector representatives to serve with appropriate AID representatives on (a) a committee to select participants from the public sector and (b) a committee to select participants from the private sector.

If these two conditions have not been met within 90 days from the date of the Project Grant Agreement, or such other date as AID may specify in writing, AID, at its option, may terminate the Agreement by written notice to HMG/N.

C. Conditions Precedent to Annual Funding

Except as AID may otherwise agree in writing, annual funding will be contingent on the Cooperating Country submitting to AID, no later than the first of December of each Project year, an Annual Training Plan (ATP) which will indicate the Cooperating Country's training priorities for the upcoming calendar year and which will take into account areas of training emphasis and plans for training for women and for the private sector as stated in the Project Paper and summarized below (D.2 and D.3).

D. Covenants

Except as AID may agree otherwise in writing, the Cooperating Country will agree:

1. to provide for roundtrip travel costs for all HMG/N participants to the point nearest to the place of training to which Royal Nepal Airlines Corporation (RNAC) flies;
2. that twenty-five percent (25%) of all training provided each year under the Project will be reserved exclusively for women;
3. that ten percent (10%) of all training each year under the Project will be reserved exclusively for private sector individuals, the "private sector" being defined as non-HMG/N and specifically excluding those firms, enterprises or entities in which HMG/N or individuals thereof acting on behalf of HMG/N hold equity directly or indirectly through legal documents or such other arrangements that provide for control; and,
4. to work toward developing a government sector personnel system which maximizes the efficient uses of employees

within the Cooperating Country's ministries, departments, agencies and enterprises.

E. Waivers

The following waivers are hereby approved:

1. The requirement of Section 110(a) of the FAA that the Cooperating Country provide twenty-five percent (25%) of the cost of the Project, pursuant to the provisions of Section 124(d) of the FAA on the basis that the Cooperating Country is determined to be a relatively least developed country by the United Nations Conference on Trade and Development (UNCTAD) and on the basis that financial constraints prohibit the Cooperating Country from fully meeting this requirement.
2. The requirement of AID Handbook 10, Chapter 15.B.1. that the Cooperating Country pay for the full cost of international travel, on the basis that the Cooperating Country is a relatively least developed country whose foreign currency constraints prohibit it from fully meeting this requirement.

Signature:

Janet C. Ballantyne  
Janet C. Ballantyne  
Acting Director  
USAID/Nepal

Date:

AUG. 15, 1985

Clearances

PDIS:TRTuladhar TM

PDIS-A/EXO:DClark DA

A/PRM:RHandler RM

FM-A/DD:RDropik RD

PDIS:TWard/Vmiedema:nty:8/13/85

### III. PROJECT RATIONALE AND DESCRIPTION

#### A. Identification of the Problem

Nepal, one of the poorest nations in the world, receives approximately 240 million dollars of foreign assistance each year. Using these (and domestic) funds efficiently and administering coordinated activities to direct these resources to the areas where they are most required is a formidable task which His Majesty's Government of Nepal (HMG/N) has been only partially successful in accomplishing. Appropriate placement of qualified technicians and administrative officials who have returned from training abroad or who have received appropriate in-country training has been an important and positive factor in Nepal's development during the past 30 years. However, trained manpower shortages continue as Nepal today faces new and difficult development challenges, including the need to advance the role which women and the private sector play in the development process.

#### B. Prior AID Involvement in Training

Since 1952 USAID/Nepal and its predecessor agencies have been assisting HMG/N in developing the skills of selected Nepalese, primarily from the public but also from the private sector. This training of nearly 3,800 participants in numerous disciplines (primarily agriculture, health and education) has been provided by a wide range of technical and academic institutions in the United States, India and other countries (see Table 1, page 6). While this support and that of other donors has been critical in helping Nepal meet its trained manpower needs during the last three decades, new and continuing demands on Nepal's technical and managerial capabilities require expanded efforts addressing requirements within HMG/N's ministries and departments as well as within private sector firms and associations. Achievement of women in development (WID) objectives demands that training of women also be given priority consideration.

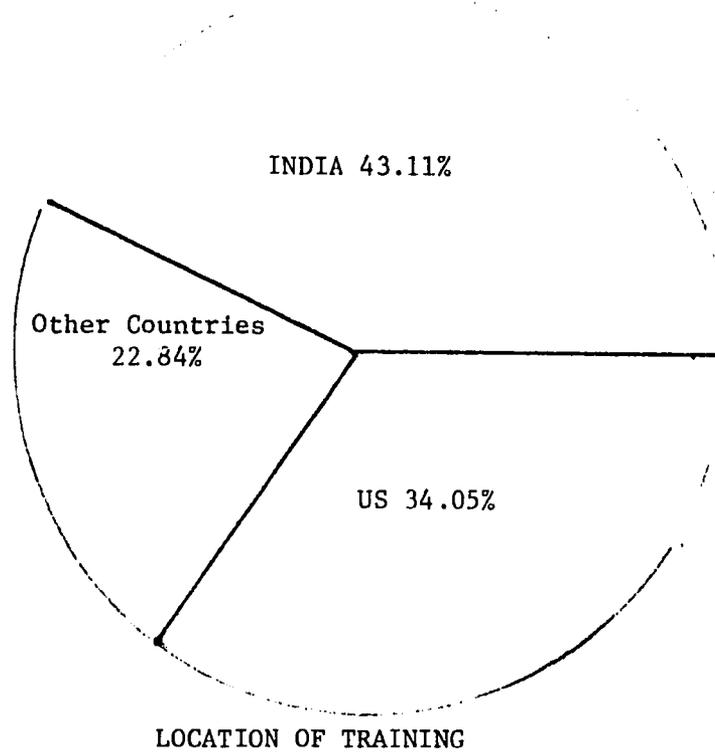
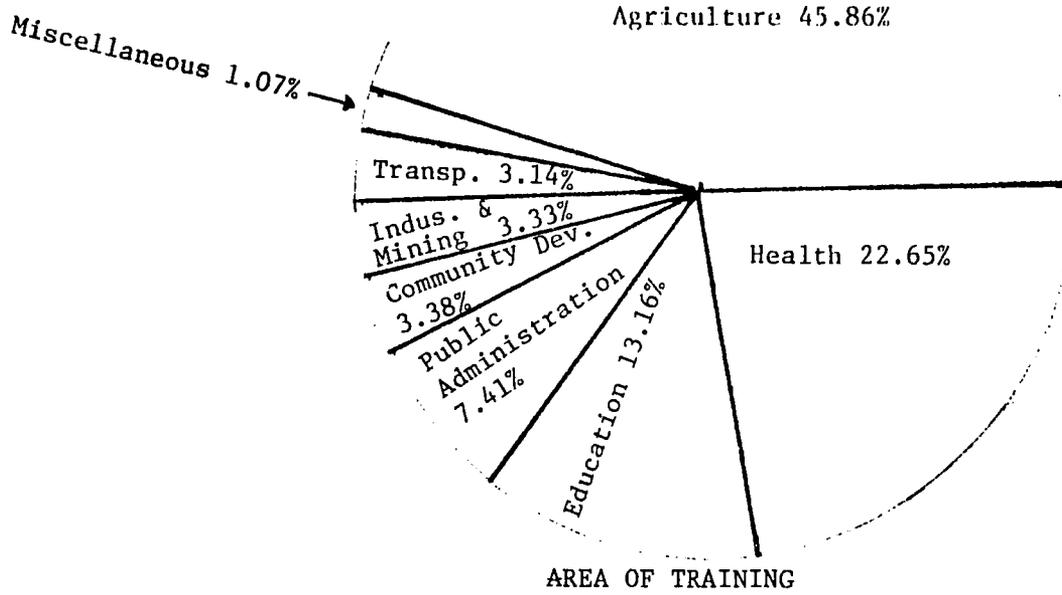
#### C. Relationship to CDSS

This project is an important component of the USAID/Nepal Mission's FY 1986 Country Development Strategy Statement (CDSS). It is also consistent with HMG/N's new Seventh Five Year Plan (1985-1990).

Among the constraints to development outlined in the CDSS are "a dearth of adequately trained development personnel ... (and) deeply ingrained cultural and economic factors bolstering resistance to attitudinal change with respect ... to the role of women." Further, in describing the project, the CDSS states that it should "respond to public and private training and related needs ... in areas not adequately covered by current projects,

Table 1  
PARTICIPANT TRAINING  
1952 - Present

Total Participants Trained: 3753



e.g., energy, urban and industrial sectors." Within these contexts, the project will provide management and technical training for public and private sector individuals in the U.S., India, and other Asian countries. Twenty-five percent (25%) of training opportunities will be reserved for women, and pilot in-country training activities to introduce modern management concepts and techniques into the country's nascent private sector will be tested.

D. Relationship to AID Policy

AID's Blueprint for Development points to several approaches that support the ultimate objective of a world in which free nations associate on the basis of economic self-reliance. Among the foremost of these approaches is development of an indigenous private sector to broaden the resource base and activate economic development. Women must also be given expanded opportunity to participate in economic development activities. Institutional capacities must be strengthened through training in order to increase productivity and expand resources for basic programs of health, education and agriculture.

This general participant training project will directly address Agency and HMG/N institution building objectives and support Agency and HMG/N private sector and women in development initiatives.

This project represents a significant new initiative to facilitate training for private sector enterprises in Nepal. Through this project's in-country training component, USAID/Nepal will be encouraging, initially on a pilot basis, the endeavors of two new, active associations: one a grouping of private (and public) enterprise executives and practicing professionals, and the other a business association with exclusively women's membership. The general objective of both organizations is to upgrade the managerial capability of their own membership and broaden private sector spheres of activities into technical consultancies, improved management and administrative skills training, and evaluation and follow-up of training programs.

In addition to the active role for women in the above mentioned in-country component, this project will also offer a structured approach to participant training for women in a broad range of development activities. Efforts will concentrate on advanced training in management and technical fields for women already occupying key government positions. In the India program, the introduction of women into non-traditional disciplines, i.e., other than nursing or teaching, will be attempted with attention to possible preparation for private sector careers, such as in business finance and business administration.

The Administrator's Policy Determination No. PD-8 on Participant Training, dated July 13, 1983, encourages participant training for three purposes:

- staff development for AID-assisted projects;
- strengthening of key development institutions; and,
- establishment of local training capacities.

The first of these will continue to be met mainly by the Mission's sector projects, although some complementary training may be provided under this project. This project may also serve as a mechanism to commence training for projects in the planning and design stages and to complete training under terminated projects. In the latter case, residual funds would, where possible, be transferred to this project for administration and monitoring. Regarding the second purpose, key development agencies will benefit from more highly trained personnel and, consequently, should function more effectively in planning and using development resources for wider economic and social impact. Finally, local training capacities, particularly those dealing with training for the private sector, will be enhanced through a combination of technical consultancies, improved curricula and upgraded program content. Wider appreciation in both public and private agencies of the value of training in management principles and concepts should result from successful implementation of this latter, in-country project component.

The Asia Region Strategic Plan, FY 1984-88, dated July 15, 1984, sets forth priorities to which this project responds. The strategy confirms support for "strengthening of key private and public institutions in fields not otherwise provided for by current sectoral projects". As a response to low-income-countries like Nepal, particular emphasis is directed toward "training for managerial and technical jobs in the private sector." Furthermore, "ways to improve the quantity and quality of female education" are equally stressed in the Strategy. The broad approach envisioned for this project affords ample opportunity to address these strategy concerns.

E. Relationship to Host Country Priorities

HMG/N has pledged in the Seventh Five Year Plan (1985-1990) to reduce government involvement in private investment endeavors and to proceed with selected divestiture of parastatal corporations. Special attention in the Seventh Plan is directed to small farmers, industrialists and professionals seeking to put capital, skills and innovation to more resourceful use. In addition, many private firms and individuals are concentrating their attention on improved management of human, financial and material resources as a key to more effective competition.

HMG/N policy makers have underscored the importance for "women to be given the necessary education and training so they can pull their weight" in the ongoing development process. Independent initiatives are also being pursued throughout the private sector, both by and for women. While these initiatives are only beginning to result in alternatives to traditional occupations for Nepalese women, the trend is encouraging.

The Sixth Five Year Plan stated that special priority would be given "...to increase the output of trained administrative or technical personnel". This priority was designed to increase the productive and absorptive capacity of Nepal's economy, and discussions with National Planning Commission (NPC) representatives during project design affirmed a similar emphasis in the upcoming Seventh Five Year Plan. Early estimates are that the Sixth Plan results will largely fill needs for middle and lower-level technicians, but will fall short in so-called "higher levels".\*

#### F. Project Objectives

##### 1. Project Goal

The goal of the project is to improve the capacity of Nepalese agencies and enterprises--both public and private--which are conducting activities in development sectors of high priority to both HMG/N and the USG. The project emphasizes management and technical training for employees of government ministries and agencies and of private associations and enterprises. The project will complement, but not duplicate, training offered through other USAID/Nepal bilateral projects.

##### 2. Project Purpose

The purpose of this project is to strengthen the analytical, managerial and technical skills of public and private sector manpower in key development areas.

##### 3. Project Outputs

Through individual participant training programs,

\* HMG/N divides training levels into 'basic' which indicates SLC (School Leaving Certificate) or below; 'middle' which approximately indicates associate or BA/BS levels; and 'high' or 'higher' which approximates MA or Ph.D. levels. Non-academic training falls into one of these categories, depending on the prerequisites for entry.

this project will assist HMG/N and the private sector in meeting the growing demand for professional managers and technicians. In addition, by working with organizations which represent private and quasi-public corporations, and perhaps through other interventions, pilot in-country training activities will address management problems associated with the private sector.

Specifically, at the end of the project, 426 Nepalese will have been trained abroad in modern administrative management as well as in various technical areas--63 in the U.S., 291 in India and 72 in other Asian countries and Israel. Over 900 Nepalese will have participated in in-country training activities, assuming success of initial pilot efforts.

Fields of participant training will be in priority development areas as indicated by HMG/N and in accordance with AID's own priorities, as follows:

--management training including business, personnel and financial management; development planning and administration; and manpower planning;

--technical training in areas directly relevant to the energy, urban, communication (including printing trades), industrial, agriculture and health sectors;

--training of trainers; and,

--miscellaneous training, e.g., in accounting, computer science, research methodologies, education and rural development.

Additions to or deletions from these fields of study may occur as the project proceeds and as agreed between HMG/N and USAID/Nepal. However, the expectation is that each Annual Training Plan will, in general, reflect these major areas of emphasis.

Participant training sites will be in the U.S., India, other Asian countries and Israel, with the training and site details to be worked out each year between USAID/Nepal and the HMG/N implementing agency, the Ministry of Finance. In-country training will be in the form of private sector oriented workshops run initially on a trial basis by the Management Association of Nepal (MAN) and the Business and Professional Women's Club of Nepal (BPWC).

#### 4. Project Inputs

AID's principal input will be \$6.3 million to be obligated over life-of-project, beginning with \$1.0 million in FY 1985.

HMG/N will provide partial costs of international travel for HMG/N participants and pay their salaries and clothing allowances during training. HMG/N will also provide in-kind support for management of the project. Transportation for private sector participants will be partially paid by the participants' sponsoring company or organization. The total Nepalese contribution is estimated at \$1.5 million for life-of-project.

G. Project Elements

The principal component of the project is participant training. About eighty-six percent (86%) of the combined U.S. and Nepali project resources will be devoted to this form of assistance. The remaining project resources will be allocated to in-country training (7%) primarily for the private sector, and two evaluations, inflation and contingency (7%).

1. Participant Training

a. General Considerations

i. Location

Allocation of resources among training locations continues a pattern of heavy emphasis on India, begun under the Special Foreign Currency Account (SFCA)-funded India Training Program (ITP) which will end this fiscal year (FY 1985). Continuing significant India-based training under this project reflects the conviction that India training is relevant, delivers quality comparable to many other Asian locations and is economical. However, in some fields of study, training in India has become as expensive as elsewhere in the region and, to the extent that this becomes true for all fields, use of India as a principal training site will need to be reconsidered during implementation. At present, the breakdown of participant training resources among training locations is: 50 percent for India, 22 percent for Other Asian countries and Israel, and 28 percent for the U.S.

ii. Return Rates

The return rate for Nepalese participants is over 95 percent and, in general, observations indicate that the vast majority of returned participants are working effectively in areas related to their training. This conclusion was reached by the team which evaluated the Manpower Development Training Project (MDT) (1973-1980). The final evaluation report stated:

The MDT project was primarily based on two key assumptions. Those were that (a) the trainees would be assigned to positions where they would be used effectively and (b) skills and knowledge they had acquired during their training could and would be adapted to Nepal. The findings of the present study, in fact, positively indicate that those assumptions were fairly well-founded.\*

However, even though observations have been generally positive with regard to return and retention rates, evaluations of other projects' training components and the study of the MDT project (which trained a total of only 103 participants) are not an adequate assessment of participant training completed to date. Thus, the Mission is currently undertaking a study to determine the impact of returned participants. The results of this study will be taken into consideration during preparation and approval of Annual Training Plans.\*\*

### iii. English Language

Participant training of Nepalese has been impeded by the limitations resulting from an inadequate grasp of the English language on the part of many candidates. To date, candidates have been given English upgrading classes in Nepal at the English Language Institute (ELI), which operates under USIS/Kathmandu, or at receiving institutions.

USAID/Nepal recently completed a formal evaluation of ELI-provided training as a necessary step preliminary to the design of this project. The evaluation findings indicated that continued use of ELI for English training is an appropriate and economical alternative to English training at receiving institutes. However, the report also made several recommendations for improving the quality of

\* New ERA, "Evaluation of Manpower Development Training Program", Gyaneshwar, Kathmandu, Nepal, December 1980.

\*\* AID/W provided PD&S funds to undertake this study which seeks to locate returned participants and determine the extent to which their work is (or has been) relevant to their AID-funded studies. The information collected will also be used for appropriate participant follow-up and ongoing contact. The final report is due to be completed in September 1985.

ELI services. These will be reviewed and, as appropriate, followed up on by ELI and USAID/Nepal staff during the early implementation phase of this project.

b. Training Estimates

Approximately 426 individuals will be selected for participant training, including academic, technical and practical (See Table 2 note for definitions of these types of training). Of these, 63 individuals will be sent for training in the U.S., thus placing a high premium on allocation of these limited positions to critical skills or high impact activities. The remaining 363 individuals will be sent for training in India (291), and other Asian countries and Israel (72), with the bulk in each case devoted to academic programs and a lesser amount to technical and practical programs. Table 2 lists distribution of programs across the seven years life-of-project.

i. United States

Academic programs in the U.S. will be limited to those mutually agreed priority requirements for which U.S. training is most relevant. Given the availability of only 21 programs over the life-of-project, i.e., four or less per year, the general fields of health and development planning and management will receive priority attention. At least one program each year will be awarded to a female candidate. Specifically, U.S. academic training positions will be provided in development economics, planning, finance and administration; urban development and environmental planning; energy resource planning; computer technology related to economic and social planning; clinical pharmacology and epidemiology; and entomology or parasitology (malaria-related).

Out of the 42 technical and practical positions (14 for technical and 28 for practical), 10 positions will be reserved for women and four (4) positions for the private sector. Training will cover such areas as marketing promotion, appropriate technology, urban growth issues, and women in development activities. U.S. technical/practical training will also be provided in the health field, in order to upgrade and augment existing skills levels with contemporary techniques and methodologies.

ii. India

Of the 291 positions available, the project will set aside 72 positions for women and 29 for the

Table 2

ESTIMATED NUMBER OF STARTS AND TYPES OF TRAINING

Category	1985	1986	1987	1988	1989	1990	1991	1992	Total
<u>United States</u>									
Academic	-	3	4	4	4	4	2	-	21
Technical	-	3	3	2	2	2	2	-	14
Practical	-	4	4	4	4	4	4	4	28
Sub-Total	-	10	11	10	10	10	8	4	63
<u>India</u>									
Academic	41	30	30	30	30	30	30	-	221
Technical	-	10	10	10	10	10	10	10	70
Sub-Total	41	40	40	40	40	40	40	10	291
<u>Other Asia/Israel</u>									
Academic	-	5	5	5	5	5	5	-	30
Technical	-	-	3	3	2	2	2	2	14
Practical	-	4	4	4	4	4	4	4	28
Sub-Total	-	9	12	12	11	11	11	6	72
TOTAL	41	59	63	62	61	61	59	20	426

NOTE: All academic programs are estimated at 24 months; India technical programs are estimated at six months; U.S. and Other Asia/Israel technical programs are estimated at three months; and, U.S. and Other Asia practical programs are estimated at one-and-a-half months.

private sector.\* For women, opportunities in traditional disciplines, e.g., health and education, will continue to be provided, with increased efforts to provide women training in non-traditional areas as well. Training opportunities in public administration; business, personnel and financial management; statistics; urban and regional planning; and computer science will be provided to both public and private sector participants. Training complementary to project-related training in agriculture, health, education and rural development will benefit these sectors of mutual USAID/Nepal and HMG/N priority. Specific fields of training will include geophysics, meteorology, water resource engineering, communications, extension, agronomy, soils and animal breeding, educational administration and health education. In the latter area, Bachelor of Science in Nursing (post-basic) degrees, available in two years for those holding I.Sc. diplomas, will offer recent female Nepali graduates a chance to acquire very marketable development skills.\*\*

iii. Other Asia/Israel

Of the total of 72 positions available, 18 positions, equally distributed among the types of training, will be reserved for women and 18 for the private sector. This relatively higher figure for the private sector is based on the fact that business and professional people in the region have faced or are facing issues and problems similar to those now emerging in Nepal, and so the benefit of Asia training for private sector individuals should be relatively high. Of particular interest in this respect will be the Asian Institute of Management, Manila, as well as specific activities organized within the region for representatives of private firms, corporations and other non-governmental organizations. Similarly,

\* Whether 291 positions ultimately become available for India training during life-of-project, as now estimated, will depend to some extent on the issue of increasing costs (see Section G.l.a.i, page 11). As India training costs escalate, HMG/N has suggested exploring prospects in Bangladesh and Pakistan where relevance is comparable to India.

\*\* Such recent graduates would be classified as "fresh starts", i.e., those who have recently received a certificate, diploma or degree but who have not yet decided on whether to work in the public or private sector.

Nepalese women will be provided opportunities under this component of the project to join with other women from the region at seminars and workshops relevant to development issues.

For academic programs, the priorities will not differ markedly from those of U.S. training. The receiving institutions, their specializations and their reputations will be regulating factors, e.g., Asian Institute of Technology, Asian Institute of Management, University of the Philippines' College of Agriculture at Los Banos.

## 2. In-Country Programs

Project assistance in developing management and administrative skills training capacities (training for trainers) within the local private sector will be undertaken by the project, initially on a pilot basis. If pilot efforts are successful, it is estimated that approximately 60 persons will be trained in FY 86, 120 in FY 87, and 150 yearly from FY 88 to FY 92 under this component of the project.

In response to appropriate proposals submitted to USAID/Nepal by private sector entities, funding will be provided for the development and testing of training modules. This kind of initial support is expected to result in institutionalizing local training capabilities so that seminars, workshops, and skills training courses may be extended to different audiences in subsequent years. The proposals submitted for USAID/Nepal review and approval will include documentation indicating the specific objectives of the modules to be developed; the target clientele; and financing required from this project, including the costs for services of any consultants. As a general rule, all participants in such management training programs will be expected to pay a training fee, even though it is recognized that the total of such fees may not defray all operating costs, particularly during pilot phases. Initially, USAID/Nepal will work with two local associations in implementing this component of the project. Other local entities may become involved later, depending on the results of these beginning efforts and on the findings of a private sector training needs assessment to be undertaken early in the project.

### a. Management Association of Nepal (MAN)

One in-country training approach is being developed by the Management Association of Nepal. The Association is already active in management training as outlined in the description of its origin and activities (Annex E). Representatives of the Association gave the project design team an illustrative schedule of six training seminars that could be presented over the course of a twelve month period, given some project support:

- Entrepreneurial Skills Development,
- Finance for Non-Financial Managers,
- Inventory Control and Warehousing,
- General Management Training,
- Training in Marketing Management, and
- Labor-Management Relationships.

The basic offering would be a seven-day seminar for 20 participants. In a second year, these basic six courses could be repeated and two more added, e.g., the Role of the Board of Directors and Procurement, Inventory and Marketing. In the third year, two of the original six could be dropped and two new seminars added, e.g., Management Information Systems and Training for Internal Auditors.

All of the core seminars are already in some stage of development. Inventory Control and Warehousing has already been presented. The curriculum was put together under auspices of the United Nations Conference on Trade and Development (UNCTAD). Finance for Non-Financial Managers is organized around four films obtained from the German Association for Technical Assistance (GTZ).<sup>\*</sup> General Management Training will follow a case study approach and may extend over four weeks in order to assure a comprehensive approach. Because of a mandate to give programs outside Kathmandu, this General Management Training course might be launched in Pokhara. The Entrepreneurial Skills Development seminar is being prepared in two formats: the first would train unemployed female college graduates for practical private sector opportunities; the second would train soon-to-retire military personnel for private sector ventures.

MAN seeks some funding for local consultants to revise or prepare training modules for each course. These will then become the copyrighted property of the Association. After the initial presentation, each module of training will return the cost of the seminar plus a small excess for MAN's operating budget. The Association would also incur some staff and other support costs which it would plan to recoup over time. The actual cost of each seminar--not including the development of the module--would be borne by the participants. The initial year's alumni are expected to number 40. This figure should rise each ensuing year as additional courses are offered and seminars go to outlying regional centers. The complete MAN

\* While some other donor support was provided to develop these two courses, funds are not now available to MAN for necessary revisions.

schedule is enclosed for illustrative purposes in Annex E.

b. Business and Professional Women's Club of Nepal (BPWC)

A second probable vehicle for in-country training is the Business and Professional Women's Club of Nepal, whose charter and activities are also described in Annex E. USAID/Nepal will review the Club's proposal for support, keeping in mind the considerable potential of this organization to train women for the job market. Based on discussions with the design team and given the shortage of qualified bilingual secretarial, office management personnel and day care operators, it is likely that the BPWC's initial endeavors will be limited to preparing young women for secretarial and office management employment and to training managers and support personnel for day care centers. Specifically, BPWC may seek project assistance for a secretarial training school or for training trainers who ultimately would operate such training facilities. In the first instance, this would probably require comprehensive training in English, followed or accompanied by training in office, secretarial and clerical skills such as business arithmetic and bookkeeping.

3. Technical Assistance

a. Development Support

Funds are programmed under In-Country Training to assist the MAN, BPWC and perhaps other local entities in developing and conducting pilot management and administrative skills training programs. However, any initial release of funds for such activities will depend on USAID/Nepal's approval of proposals submitted. Subsequent releases will depend on whether pilot efforts prove workable.

b. Contracts

While final details have yet to be worked out, USAID/India and USAID/Nepal are discussing use of a contractor for activities related to training in India; namely, the U.S. Education Foundation, India (USEF/I). Conceptually, once USAID/Nepal and the Ministry of Finance agree on the proposed composition of the annual India training component, details will be forwarded to USAID/India to seek approval from the Government of India (GOI) for the actual quotas within Indian training institutions. USAID/Nepal will, subsequent to GOI concurrence, prepare all implementing documents (PIO/Ps, etc.) and forward them to USAID/India for participant placement. Upon placement, USEF/I will receive, maintain, counsel, monitor and follow-up on all participants.

Contracts with local associations to undertake in-country training will be negotiated on the basis of proposals submitted to USAID/Nepal.

c. Consultants

In-country training and other consultants have been programmed over the life-of-project for assistance in a variety of ways. The Mission will engage short-term consultant(s) to review training needs in the private sector. Consultants may also be hired to offer training for trainers in conjunction with or parallel to the pilot programs discussed above or actually to conduct in-country training in management and related topics for selected groups of public and private sector individuals. The particular problems women face in establishing themselves in the private sector might be a topic on which the Mission and HMG/N would wish to seek consultant support. Another possible use of consultants is in identifying specific needs for management training among various public enterprises and designing group training for the benefit of a number of managers dealing with similar problems.

d. Staff Time

In the implementation of this project, both USAID/Nepal and HMG/N will allocate necessary staff and support time for project coordination and management. USAID/Nepal's involvement will primarily be through its Training Branch. HMG/N will provide a composite two person years each year during life-of-project, primarily from the Ministry of Finance and the National Planning Commission. In addition, the private sector will provide a combination of funding and some in-kind support for in-country training programs and for consultants working on various in-country activities.

H. Policy Issues

1. Issues from the PID

The Project Identification Document (PID) posed the following issues for the project design team to resolve in the Project Paper:

- reserved training positions for the private sector;
- effective and equitable functioning of the participant selection and placement process and the role of a contractor therein;
- actual justification for a project contractor; and,
- use of project resources in support of other Mission

projects versus training in areas more broadly supportive of local development institutions (and initiatives).

a. Training for the Private Sector

The PID indicates a target of at least 10 percent of the total person months of training for individuals from the private sector. HMG/N representatives in the Ministry of Finance and the National Planning Commission suggested that this target be expanded to 20 percent, of which five percent would be from so-called "business people" and 15 percent from "fresh starts", i.e., recent campus graduates who have not yet elected between public and private sector employment. Fresh start opportunities would be offered in India only in subject areas particularly related to private sector endeavors, e.g., finance, business administration and accounting. This would open up to the private sector some specific fields in which trained manpower shortages exist. Expanding the percentage might also aid in achieving another goal, namely that of encouraging wider women's participation. However, some caution must be exercised, because of reservations--cited in the International Labor Organization's (ILO) study mentioned elsewhere in this paper--on the part of private sector employees to employ graduates, whom they think prefer the security of civil service from which they can supplement their incomes. Furthermore, offering training opportunities to uncommitted candidates may not be the most prudent use of scarce resources. The design team preferred the lower 10 percent figure along with a formula to reserve training opportunities for active private sector representatives. These reservations would apply particularly to short-term technical or practical programs that could be specifically earmarked in each annual training schedule, e.g., for agri-business or for export-import representatives.

b. Selection and Placement Process

An Annual Training Plan (ATP) identifying training needs will be drafted each year by the Ministry of Finance based on guidelines contained herein and on specific inputs from other HMG/N ministries, agencies and the private sector. It will be reviewed by USAID/Nepal and priorities for the coming year will be agreed upon.

Selection of participants will be based on training needs and prerequisites identified in the ATP. The appropriate organizations will be advised by the Ministry of Finance in November of each year regarding the subject and nature of programs available during the coming year, number of places, duration and location of training, competitive group, and deadline for nominations. Nominating organizations will be

encouraged to indicate three candidates for each position with special efforts to find appropriate female nominees.

In the case of private sector training opportunities, appropriate private organizations will be notified directly and a public announcement will also solicit the applications of interested private sector (only) individuals.

The Ministry of Finance will forward nominations and bio-data to the Participant Selection Committee, which will make final selection. This Participant Selection Committee will be composed of the following:

1. Under Secretary, Foreign Aid Coordination Division, Ministry of Finance, (HMG/N Project Manager);
2. Under Secretary, Human Resources Section, Economic Analysis and Policy Formulation Division, National Planning Commission;
3. USAID/Nepal Project Officer;
4. Representative from the USAID/Nepal sector office (as appropriate); and
5. Private sector representative when private sector candidates are being considered.

Similar selection procedures proved satisfactory during implementation of the Manpower Development Training Project, the previous USAID/Nepal general training project.

Placement will be handled by USAID/India for participants going to India, by USAID/Nepal and other USAID Missions for participants going to other Asian countries, and by AID/Washington's Bureau of Science and Technology, Office of International Training (S&T/IT) or its contractor(s) for participants going to the U.S.

c. Selection of a Contractor

Given the modest number of training programs planned for the U.S. and Asian countries other than India, engaging a U.S. contractor would appear unwarranted. On an annual basis, about 10 participants will depart for the U.S. and about 11 will depart for Asian countries other than India. This workload should be well within the capability of current USAID/Nepal Training Branch staff, S&T/IT and its contractors, and other Asian Missions. S&T/IT is staffed to render a full range of support at costs which are already calculated into the

project budget, and selection criteria and procedures herein defined should assure the nomination of only the highest qualified candidates. USAID Missions in other Asian countries are staffed and accustomed to receiving and processing participants.

Annual negotiations with the GOI for approval of training slots in Indian institutions, as well as placement, will continue to be the responsibility of USAID/India. However, a contractor will be engaged in order to receive, monitor, counsel and return all Nepalese participants programmed in India under this and other Mission projects--tasks done heretofore by USAID/India. As noted above, negotiations are already underway with the U.S. Education Foundation, India (USEF/I) to assume these functions. It is expected that USEF/I will begin to assume these responsibilities as the Special Foreign Currency Account (SFCA)-funded Indian Training Program (ITP) phases out and USAID/India limits its association with the Nepal program to securing GOI clearance and overseeing placement.

d. Project-Related vs. General Training

A review of project-related Mission training identified no critical specialities for which funding is not available. The design team's discussions with various project officers did, however, reveal some requirements that could be funded under DTP as complements to current projects, as lead-ins to planned projects and to windup ongoing projects. The following examples illustrate the substance of these conversations:

In the Institute of Agriculture and Animal Science II (IAAS II) project (367-0148), four training positions are identified for the Ministry of Finance and the National Planning Commission, one for each agency in development planning/agriculture policy and agricultural economics/agriculture business management. These training needs were identified by the Mission as critical to improving HMG/N sector management and were included in IAAS II in the absence of any other Mission undertaking capable of responding to this need. This training rationale coincides generally with that of this project, which will now fund these four programs. The requirement will be deleted from IAAS II when DTP is approved. This will, in turn, free up IAAS II funding to cover additional training programs in weed control, home science, plant breeding, farm management, and agriculture extension--which were requirements identified but also not funded in the IAAS II project design.

The Integrated Rural Health/Family Planning Services project (367-0135) has programmed all training resources through 1988, at which time a continuing activity will be initiated. In the interim, the health sector should be training several personnel in malaria-related skills and activities. Consequently, the DTP Annual Training Plans will include a total of up to five M.Sc. candidates--divided among U.S. and Asian institutions--in either entomology or parasitology (with emphasis on operations research techniques). Additionally, two programs--probably in India--will be planned in mosquito blood meal identification techniques.

The Agricultural Research and Production (ARP) project (367-0149) identified 29 ITP academic training positions which are highly desirable as complementary to that project. At the time of preparing the ARP project paper, it was hoped that SFCA funds would be available for this training and, if not, the PP indicated that ARP project contingency funds may be used for some of this training. To date, seven of these 29 training positions have been SFCA-funded, but this source of funding is no longer available and ARP contingency resources may be needed for other project activities. If ARP contingency resources cannot be made available, this project would fund the remaining 22 Indian training positions.

While these three foregoing examples demonstrate effective use of DTP resources to complement other project activities, the Development Training Project will not be used by the Mission as a supplement for ongoing project training activities. Traditional sectoral participant requirements will be funded from approved projects; should new requirements be identified within projects, the appropriate documentation and justification for additional funding will be prepared and processed in accordance with regular Agency procedures.

The DTP will provide initial funding for long-term participants who will return to work in sector projects planned, but not yet approved. This arrangement will eliminate the problem of participants returning from training only as projects are nearing completion or are already terminated. The DTP will also facilitate post-project management of training which is the sole remaining component of a terminating technical assistance activity. In such cases, necessary funding will be transferred to DTP, whenever possible, for management and monitoring.

## 2. Participation of Women

Since the beginning of the USAID/Nepal program in 1952, the Mission has provided overseas training to about 3,800

participants. Only 8.8 percent of these were women. This is not surprising given the low percentage of educated women in Nepal, and the fact that even today only five percent of HMG/N's gazetted officers are women. This continuing dearth of women in positions of administrative and technical responsibility represents an economic loss to the country. However, there is a growing recognition that women play an important role in development and that greater opportunities must be made available to them. The DTP will seek to further this by improving the management and technical capabilities of women through the various training programs offered under this project. Keeping in mind the small percentage of women in the pool from which public sector participants are selected, special efforts will be required to achieve the target of 25 percent women participants. Specifically, the number of women to be trained each year will be spelled out in the Annual Training Plan, in accordance with the overall 25 percent goal for the project. Also, given the small pool of female public sector employees, the project will provide training to women who have not yet entered the workforce, e.g., DTP could provide B.Sc. Nursing (post basic) training in India for recent I.Sc. graduates ("fresh" candidates).

Finally, if female training goals during the first two years of the project are not met, USAID/Nepal and HMG/N will formally seek advice from local women leaders, both public and private, on how to improve female participation. A consultant would likely be used to systematically illicit recommendations.

### 3. Gray Amendment

Contracting under this project will be limited mainly to local institutions which will undertake in-country management training for the private sector, and to an agreement with the U.S. Education Foundation, India (USEF/I). As noted above, this agreement with USEF/I is already being negotiated under the India Training Program. USEF/I was chartered in 1950 by agreement between the governments of the United States and India "as an organization created and established to facilitate the administration of the educational program to be financed by funds made available" by the U.S. Government. The Foundation has over thirty years of experience in the placement and monitoring of students in Indian institutions.

Contracts with local associations to undertake in-country training will be negotiated on the basis of proposals submitted to USAID/Nepal. Initially, these contracts will be for only one year, extensions or follow-on contracts depending on the outcome of completed training activities. These in-country training contracts may be supported by

short-term U.S. consultants through the established Indefinite Quantity Contract (IQC) mechanism administered by AID/ Washington and in which minority, women-owned and small business firms are encouraged to participate. Where feasible, the Mission will engage disadvantaged contractors through the IQC process.

The Mission Director certifies, by authorizing this project, that full consideration will be given to the utilization of Gray Amendment organizations in the implementation of this project.

IV. PROJECT BUDGET AND FINANCIAL PLAN

A. Summary of Total Estimated Project Costs

Total project cost will be \$7.8 million of which the U.S. will provide \$6.3 million in grant funding. HMG/N and local organizations will contribute a combined total of \$1.5 million.

Table 3

SUMMARY COST ESTIMATE  
(U.S.\$ 000)

CATEGORY	Source					
	AID		HMG/N-Private		Total	
	FX	LC	FX	LC	FX	LC
<u>PARTICIPANT TRAINING</u>						
<u>U.S.</u>						
Academic	1,297	-	-	-	1,297	-
Technical	223	-	-	-	223	-
Practical	234	-	-	-	234	-
<u>INDIA</u>						
Academic	1,797	-	-	-	1,797	-
Technical	374	-	-	-	374	-
<u>OTHER ASIA</u>						
Academic	1,116	-	-	-	1,116	-
Technical	108	-	-	-	108	-
Practical	106	-	-	-	106	-
<u>IN-COUNTRY TRAINING</u>						
Workshops/Seminars	-	140	-	65	-	205
<u>TECHNICAL ASSISTANCE</u>						
Consultants	325	-	-	-	325	-
Program Management	-	-	-	25	-	25
USEF/I Contract	237	-	-	-	237	-
<u>INTERNATIONAL TRAVEL</u>						
STAFF SALARIES/ ALLOWANCES	-	-	-	95	-	95
EVALUATION	-	-	-	1,140	-	1,140
	50	-	-	-	50	-
Sub-Total	5,867	140	-	1,325	5,867	1,465
Inflation	-	-	-	132	-	132
Contingency	293	-	-	43	293	43
<b>TOTAL</b>	<b>6,160</b>	<b>140</b>	<b>-</b>	<b>1,500</b>	<b>6,160</b>	<b>1,640</b>

Table 4

SUMMARY BUDGET EXPENDITURES  
(US\$ 000 by Fiscal Year)

	1985	1986	1987	1988	1989	1990	1991	1992	Total
<u>AID CONTRIBUTION</u>									
Participant Training*									
U.S.	-	138	249	285	313	345	302	122	1,754
India	85	264	255	281	311	346	381	248	2,171
India/Support Services	-	25	28	30	33	37	40	44	237
Other Asia	-	78	179	198	213	236	261	165	1,330
Sub-Total	85	505	711	794	870	964	984	579	5,492
<u>Technical Assistance (TA)</u>									
In-Country Training	-	20	20	20	20	20	20	20	140
Contract Consultants	-	50	50	50	50	50	50	25	325
Sub-Total	-	70	70	70	70	70	70	45	465
Evaluation Contingency	-	-	-	25	-	-	-	25	50
									293
<u>TOTAL - AID</u>									6,300
<u>HMG/N AND PRIVATE CONTRIBUTIONS</u>									
<u>Training Support (TS)</u>									
Salaries	148	149	154	153	153	153	146	12	1,068
Allowances	7	10	11	11	10	10	10	3	72
Travel	6	13	15	14	14	14	13	5	94
Program Management and In-Kind Support for In-Country Training	-	14	13	14	14	14	13	9	91
Sub-Total	161	186	193	192	191	191	182	29	1,325
Inflation Contingency									132
									43
<u>TOTAL - HMG/N-Private</u>									1,500
<u>GRAND TOTAL</u>	246	761	974	1,056	1,131	1,225	1,237	653	7,800

\* Support services for U.S. and Other Asia are included in annual figures; only India support services (USEF/I) are given separately.

B. Financial Plan

The total project cost is estimated at \$7.8 million. AID inputs amount to \$6.3 million or 80.77 percent of total project costs. HMG/N inputs plus contributions from the Nepalese private sector total \$1.5 million or 19.23 percent of the total cost.

The AID contribution includes provision for inflation at the rate of 11 percent compounded annually, except for a 10 percent compounded inflation factor for the proposed USEF/I contractor. The HMG/N-local contribution was inflated at a flat 10 percent rate. AID contribution for travel is included in overall training cost. No dollar costs were calculated for participant travel to India (serviced by Royal Nepal Airlines Corporation) or other Asian countries, most of which lie within RNAC's operating radius. Any dollar add-on for travel to Other Asian countries will be covered from the AID Contingency line item.

Project inputs are summarized below:

1. AID Inputs

a. Participant Training

The total costs for academic and technical/practical training in the U.S., India and other Asian countries are estimated at \$5,255,397 for 426 participants and a total of 7,116 person months. The cost is summarized in the following table.

Table 5

PARTICIPANT TRAINING SUMMARY COST BY PROGRAM (USAID/NEPAL)

Program	No. of Participants	Person Months Participant - Total		Total Estimated Cost
<u>U.S.</u>				
Academic	21	24	504	\$ 1,297,020
Technical	14	3	42	223,265
Practical	28	1.5	42	233,830
<u>INDIA</u>				
Academic	221	24	5,304	1,797,204
Technical	70	6	420	373,500
<u>OTHER ASIA</u>				
Academic	30	24	720	1,116,360
Technical	14	3	42	108,030
Practical	28	1.5	42	106,188
<b>TOTAL</b>	<b>426</b>	<b>-</b>	<b>7,116</b>	<b>\$ 5,255,397</b>

b. In-Country Training and Technical Assistance

The amount budgeted for consultants is \$325,000 for the services of up to four consultants per year (for six years) and two consultants in the final year of the project. These consultants will conduct in-country training programs in conjunction with local agencies and associations or provide other services as indicated in Section III,G.3.c. on page 19. This estimate includes salaries, transportation, international and in-country per diem and miscellaneous expenses. In addition, \$140,000 is programmed to assist local training institutions in the development and presentation of pilot, in-country training programs.

Within the India program, \$237,180 has been allocated for funding a contractor to receive, place and monitor Nepali students attending Indian institutions.

2. HMG/N and Private Inputs

a. Participant Training

HMG/N or private sector sponsors will pay all salaries, a clothing allowance and partial travel costs for participants. Salary payments are calculated on the basis of \$150 per participant per month. Travel costs are calculated to the point nearest to the place of training to which RNAC flies: \$140 for all participants traveling to India and \$400 to all other locations. The total HMG/N-private contribution for participant training (only) amounts to \$1,234,560 for 426 participants and 7,116 person months of training. The following table summarizes these contributions.

Table 6  
PARTICIPANT TRAINING SUMMARY COST BY PROGRAM (HMG/N AND PRIVATE)

Program	No. of Participants	Person Months		Total Estimated Costs
		Participant	Total	
U.S.				
Academic	21	24	504	\$ 87,570
Technical	14	3	42	14,280
Practical	28	1.5	42	22,260
INDIA				
Academic	221	24	5,304	864,110
Technical	70	6	420	84,700
OTHER ASIA				
Academic	30	24	720	125,100
Technical	14	3	42	14,280
Practical	28	1.5	42	22,260
TOTAL	426	-	7,116	\$ 1,234,560

b. Program Management

The total amount allocated by Nepalese agencies for program management is estimated at \$90,200. Part of this cost is computed as two composite years of program management effort annually for life-of-project, amounting to \$25,200. A further amount of in-kind support from private sector agencies for training seminars adds up to \$65,000 for such costs as space rental and administrative support.

c. Waiver

Calculations indicate the Nepalese contribution will reach around 20 percent of the total project assets; this level of participation is unlikely to vary to any marked degree over the life of the project. Therefore, a waiver of FAA Section 110(a) is requested.

C. Recurrent Costs

Due to the nature of this training project, such recurrent costs as may accrue will be principally in the form of salary or allowance increases for participants returning to higher paying positions in government. These additions will be incremental as individuals return and should be easily covered within prevailing budget levels. Furthermore, the number involved in such training on an annual basis is relatively small. HMG/N continues salaries of civil servants undergoing training as a part of mutual agreements governing U.S. assistance.

D. Detailed Budget Breakdown

A budget breakdown is contained in Annex C along with the analyses and calculations to support the foregoing summaries. Considering the comprehensive nature of these tables, no further financial analysis is deemed necessary.

V. IMPLEMENTATION PLAN

A. Planning Aspects

HMG/N has recently finalized manpower planning requirements for the Seventh Five Year Plan which began on July 16, 1985. On the basis of this manpower assessment and in line with the training objectives of this project, the Ministry of Finance will, in cooperation with line ministries, assess their most critical training needs and prepare an Annual Training Plan. USAID/Nepal approval of this annual plan will be reflected through issuance of a Project Implementation Letter (PIL). This PIL will indicate the nature, length and location of training as well as specific prerequisites.

In-country training will be planned on the basis of proposals submitted to USAID/Nepal by local organizations, initially MAN and BPWC, and on the basis of a private sector training needs assessment to be undertaken early in the project.

B. Nomination of Participants

Once an Annual Training Plan (ATP) is agreed upon and documented by issuance of a Project Implementation Letter (PIL), the Ministry of Finance will send letters to the various ministries requesting nominations for the fields of training selected. Ministries will be requested to nominate three candidate for each position and encouraged, in particular, to nominate qualified women. Private sector nominations will be solicited through notices in the local press.

C. Selection of Participants

Upon receipt of letters requesting nominations, HMG/N line ministries will choose their candidates, paying particular attention to the prerequisites indicated for each position. Line ministry nominations will then be forwarded to the Ministry of Finance; private sector nominations will come to the MOF and to USAID/Nepal. Once the MOF and USAID/Nepal have assured themselves that candidates meet all basic program requirements, the Participant Selection Committee will meet to make final selection.

While each training position will have specific prerequisites (which will be spelled out in the PIL), there are certain basic criteria which each participant will be expected to meet. Specifically, the participant must:

1. be a citizen of Nepal;
2. have demonstrated to the satisfaction of HMG/N an awareness of and willingness to accept, upon return

- to Nepal, appropriate responsibilities related to the field of study;
3. have met, to the satisfaction of HMG/N and USAID/Nepal, any and all age and health criteria;
  4. have permanent civil service status (for HMG/N employees only);
  5. have demonstrated sufficient academic or other experience to reasonably assure qualification for the training proposed;
  6. have demonstrated evidence of maturity and leadership potential;
  7. have English language proficiency sufficient for the training proposed;
  8. be employed at the time of nomination in the field for which nominated, or have reasonable assurance of such an assignment upon completion of training;
  9. be willing to serve in any part of the country in his/her field of training (HMG/N only); and,
  10. be willing to sign an agreement with his/her employer requiring him/her to return to Nepal upon completion of training and, if a civil servant, to serve the number of years required by HMG/N regulations.

D. Processing of Participants

Once final selections have been made, the MOF and the USAID/Nepal Training Branch will prepare and send PIO/Ps to receiving countries for placement. Once Training Implementation Plans (TIPs) are received, medical clearances, visas, etc. will be arranged. Upon receipt of firm call forward (CF) notices, travel arrangements will be made, arrival notices sent, and participants will depart.

E. Orientation

A pre-departure orientation will be given by the Training Branch to each participant, including a discussion on life in the country of training and what a Nepalese participant can expect when he/she first arrives there.

F. Travel Arrangements

HMG/N or private sector entities will finance interna-

tional travel of participants on Royal Nepal Airlines Corporation to the extent of RNAC's operating radius, including all training in India and most other Asian countries. USG grant funds will finance the additional portion to the US or other third countries, as well as domestic transportation within the country of training.

A waiver to allow USG funds to be used for participant travel, per Handbook 10, Chapter 15.B.1., is contained in the Project Authorization. This waiver is based on Nepal's status as a relatively least developed country whose foreign currency constraints prohibit it from meeting this requirement.

G. Monitoring of Participants

Participants in the U.S. will be monitored by S&T/IT or its contractor(s), participants in India by USEF/I, and participants in other countries by the receiving AID mission. Periodic reports will be sent to USAID/Nepal and these will be shared with HMG/N. The Mission and HMG/N will be able to evaluate progress of academic participants through Academic Enrollment and Term Reports (AETRs).

H. Return of Participants

Prior to the termination date of the participant's program, the training agency will send a cable to USAID/Nepal advising the participant's estimated time of arrival in Nepal. USAID/Nepal and HMG/N will confirm arrival. Upon return, the participant will visit the USAID/Nepal Training Branch to complete a training evaluation and follow-up form.

I. Follow-up Activities

During implementation of this project, USAID/Nepal and HMG/N will also conduct follow-up activities for returned participants. Follow-up objectives will be to assist returned participants in reinforcing, extending and transmitting to others the technical and managerial knowledge acquired during their training.

A preliminary task is to have an accurate fix on numbers trained, in what disciplines, locations, length of training, from which ministry, which region, which gender, etc. The new Participant Training Management System (PTMS) developed by S&T/IT is now available and the Mission has requested technical assistance from AID/W to install this program. With approval of the project, the Mission will develop a schedule for incorporating PTMS into regular Mission operating practices and procedures.

J. Implementation Schedule

<u>Month/Year</u>	<u>Activity</u>	<u>Responsibility</u>
Aug. 85	PP Approved;	USAID/N
Aug. 85	Project Grant Agreement signed;	HMG/N, USAID/N
Aug. 85	Agreement reached on parameters for English language instruction, based on recommendations made in June 1985 ELI evaluation report;	USAID/N, ELI
Sept. 85	CP's met, including naming of MOF Project Manager;	HMG/N
Sept. 85	PIO/Ps for 1985 participants completed (Supplemental for FY 85 India Training Program);	USAID/N
Sept. 85	Annual Training Plan (ATP) drafted, based on principles of Project Paper and in consultation with line ministries;	HMG/N
Sept. 85	Proposals for in-country training prepared and submitted to USAID/N;	MAN, BPWC
Oct. 85	Project Implementation Letter (PIL) issued to reflect agreement on ATP and spell out details of training;	USAID/N, HMG/N
Oct. 85	Participant support contract for Indian component signed;	USAID/N, USAID/I, USEF/I
Oct. 85	GOI approval sought for Indian component of ATP;	USAID/N, USAID/I, GOI
Oct. 85	Agreement reached on in-country training component for coming year (further implementation schedule for this component will be as per agreements);	MAN, BPWC, USAID/N
Nov. 85	Nominations requested from HMG/N line ministries and private sector, based on PIL;	HMG/N, USAID/N

<u>Month/Year</u>	<u>Activity</u>	<u>Responsibility</u>
Nov. 85	Consultant services to undertake private sector training needs assessment agreed on;	USAID/N
Dec. 85	Participant nominations received NLT December 31, 1985;	HMG/N
Dec. 85	Approval received for Indian component of ATP;	USAID/N, USAID/I, and GOI
Jan./Feb. 86	Participant Selection Committee meets to select candidates;	HMG/N, USAID/N
Mar. 86	PIO/Ps and bio-data prepared and sent to S&T/IT, USAID/I or other receiving Missions, as appropriate;	USAID/N
Mar./Apr. 86	Participants requiring additional English begin ELI program;	USAID/N, ELI
Apr./May 86	Once TIP's are received, medical clearances, visas, etc. obtained;	USAID/N
June/July 86	Private sector interventions finalized, based on consultant study;	USAID/N
June/July 86	Upon receipt CF, participants for India or other Asian country academic programs depart;	HMG/N, USAID/N
Aug./Sept. 86	Upon receipt CF, participants for U.S. academic programs depart.	HMG/N, USAID/N

- Note:
1. Technical and practical participant programs will be worked into this schedule as appropriate.
  2. In general, this cycle will repeat itself each year during life-of-project. Other significant dates include a mid-term evaluation in September 1988 and a final evaluation in January 1992.

VI. MONITORING PLAN

Project monitoring will consist of annual reviews, as well as mid-term and final evaluations (for a discussion of evaluation plans, see Section IX below).

Annual reviews will focus on achievements against each of the Annual Training Plans, with special attention to: unit costs per participant month; number of women and private sector participants sent; validity of U.S., India and Other Asian breakdown of training locations; monitoring by receiving country entities (S&T/IT, USEF/I or Asian Missions); and follow-up on returned participants. Follow-up of participants will be in the form of impact monitoring to determine the extent to which newly acquired skills are being used to meet the project goal of improving the capacity of Nepalese organizations to conduct development activities. The Participant Training Management System, described in Section V.I. above, will be used as a means of undertaking all monitoring tasks. Trends will be reviewed with HMG/N and modifications made, as necessary, in subsequent ATPs.

VII. SUMMARY OF PROJECT ANALYSES

A. Technical Analysis

The technical analysis focuses on the types of training to be provided and the types of personnel to be trained. Emphasis is on management and technical training, primarily for the public but also for the private sector. Training will be conducted in the U.S., India and other Asian countries, including short-term training in Nepal.

B. Social Soundness Analysis

There is no reason to believe that training offered under this project will be rejected by the target population because of the values, beliefs, social structure or organizations within Nepalese communities. All available evidence indicates a strong belief in the value of education and training, particularly for men and increasingly for women.

C. Economic Analysis

Since there is no quantifiable production of revenue in this project, normal benefit-cost and rate-of-return analyses are not possible. Nevertheless, if the returned participants and individuals trained in-country are appropriately placed, the benefits should be substantial even though unmeasurable. It is believed that from an economic standpoint, this project represents the most feasible and cost effective way to achieve project objectives.

D. Financial Analysis

The Project Budget and Financial Plan (Section IV) and Annex C.4. provide a complete breakdown of costs which are believed to be accurate and reasonable estimates of the financial responsibility which the USG, HMG/N and the local private sector will assume under the project.

E. Administrative Analysis

HMG/N has demonstrated an adequate administrative/managerial base to successfully implement this project.

F. Environmental Analysis

The project will not have an effect on the natural and physical environment and is consistent with AID's environmental procedures.

### VIII. CONDITIONS AND COVENANTS

The Project Grant Agreement will include the following conditions and covenants:

#### A. Conditions Precedent (CP) to Initial Disbursement

Except as AID may otherwise agree in writing, HMG/N will:

1. furnish to AID, in form and substance satisfactory to AID, documentation confirming designation of a Project Manager by His Majesty's Government of Nepal (HMG/N); and,
2. provide to AID the names of HMG/N and private sector representatives to serve with appropriate AID representatives on (a) a committee to select participants from the public sector and (b) a committee to select participants from the private sector.

#### B. Notification

When AID has determined that the above two conditions precedent have been met, it will promptly notify HMG/N.

#### C. Terminal Dates for CPs to Initial Disbursement

If the two conditions specified above have not been met within 90 days from the date of the Project Grant Agreement or such other dates as AID may specify in writing, AID, at its option, may terminate the Agreement by written notice to HMG/N.

#### D. Condition Precedent to Annual Funding

Except as AID may otherwise agree in writing, annual funding will be contingent on HMG/N submitting to AID no later than the first of December of each project year, an Annual Training Plan which will indicate HMG/N's training priorities for the upcoming calendar year and which will take into account areas of training emphasis, as well as training for women and training for the private sector, as stated elsewhere in the Project Paper and summarized below (E.2. and E.3.).

#### E. Covenants

Except as AID may agree otherwise in writing, HMG/N will agree:

1. to provide for roundtrip travel costs for all HMG/N participants to the point nearest to the place of training to which Royal Nepal Airlines Corporation (RNAC) flies;

2. that twenty-five percent (25%) of all training provided under the project will be reserved exclusively for women;
3. that ten percent (10%) of all training under the project will be reserved exclusively for private sector individuals, the "private sector" being defined as non-HMG/N and specifically excluding those firms, enterprises or entities in which HMG/N or individuals thereof acting on behalf of HMG/N hold equity directly or indirectly through legal documents or such other arrangements that provide for control; and,
4. to work toward developing a government sector personnel system which maximizes the efficient uses of employees within HMG/N's ministries, departments, agencies and enterprises.

## IX. EVALUATION AND AUDIT PLAN

### A. Evaluation Plan

Two evaluations will be carried out during the life of the project. The first is planned for the fall of 1988 after the first academic participants return from training. The second evaluation will be the end-of-project evaluation which will assess progress achieved during the life of the project toward the attainment of its specific goals.

#### 1. Objectives of Evaluation

##### a. Relevance of Training

Both participant and in-country private sector training will be looked at in terms of relevance to the work of participants/trainees (use of skills learned). This will be done through use of the PTMS system, interviewing and informal critiques of training activities.

##### b. Training Costs

Unit costs per participant, unit cost per participant month, unit cost variations among training locations, and costs of in-country training activities will be analysed and recommendations made for future training programs.

##### c. Training Management

Processing of participants will be examined for ways of improving training management efficiency and effectiveness. Included will be an examination of the results of USAID/Nepal handling the project, as is currently recommended, as opposed to use of a contractor.

#### 2. Methodology

In the past, various surrogates for empirically verifiable training results have been utilized for returning participants. In this project's evaluation studies, particularly in the final evaluation, an effort will be made to determine exactly which acquired skills have been utilized on-the-job. Inquiries will be made as to what specific impacts have occurred through utilization of skills. Forces which promote utilization and impact as well as those that prevent it will be noted.

While the methodologies have yet to be worked out in detail, the sample survey will interview a significant number of participants and their supervisors and colleagues. Survey questions will seek specific behavioral patterns and use of techniques which correlate with the achievement of improved

on-the-job planning and project execution. Physical evidences of successful project analyses done, money earned, money saved, morale boosted, policies changed, practices reformed, new systems installed and so forth will be sought. Less attention will be paid to evidence that lacks empirical confirmation.

3. Process Evaluations

Process evaluations of various project components will be conducted as appropriate, at different stages during the life of the project. The purpose of these evaluations will be to concentrate attention on specific problem areas and to propose resolutions to the issues. The specific focus of such evaluations will be determined as the project proceeds. Possible topics would include review of the ratio of training conducted in the U.S., India, and other Asian countries, based on the costs and training results; how private sector training is being implemented; and progress in increasing the number of women participants.

B. Audit Plan

The on-going project may be audited by the AID/Inspector General (AID/IG). USAID/Nepal's Office of Financial Management staff may also conduct limited financial reviews during the life of the project.



PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

AID 1020-28 (7-71)  
SUPPLEMENT 1

Life of Project: \_\_\_\_\_  
From FY 85 \_\_\_\_\_ to FY 92 \_\_\_\_\_  
Total U.S. Funding \$6.3 Million  
Date Prepared: July 1985

Project Title & Number: Development Training (367-0152)

(INSTRUCTION: THIS IS AN OPTIONAL  
FORM WHICH CAN BE USED AS AN AID  
TO ORGANIZING DATA FOR THE PAR  
REPORT. IT NEED NOT BE RETAINED  
OR SUBMITTED.)

PAGE 1

NARRATIVE SUMMARY	OBJECTIVELY MEASURABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>To improve the institutional capacity of Nepalese agencies and enterprises which are conducting activities in development sectors of high priority to both HMG/N and the USG.</p>	<p>Measures of Goal Achievement:</p> <p>Returned participants occupying positions of authority/responsibility in HMG agencies and private enterprises.</p>	<p>Follow-up monitoring to verify positions held.</p> <p>Objective assessment of levels of such positions and opportunities for exercise of authority/responsibility.</p>	<p>Assumptions for achieving goal targets:</p> <p>Returned participants will be employed in a productive manner beneficial to trainees and to Nepal.</p> <p>Training provided will prepare trainee to plan, manage and implement development programs.</p>

4/3

PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

Life of Project: 7 Years  
From FY 85 to FY 92  
Total U.S. Funding \$6.3 Million  
Date Prepared: July 1985

AID 1000-20 (7-71)  
SUPPLEMENT 1

Project Title & Number: Development Training (367-0152)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><b>Project Purpose:</b></p> <p>To strengthen the analytical, managerial and technical skills of public and selected private sector manpower in key development areas.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <p>63 Nepalese trained in the U.S., 291 in India, 72 in other Asian countries, and 930 in-country in management and technical concepts and techniques.</p>	<p>Follow-up monitoring to verify employment.</p> <p>HMG/N, private and USAID/N files and records.</p>	<p>Assumptions for achieving purpose:</p> <p>HMG/N training plans effectively identify, nominate and process appropriate government candidates in priority positions.</p> <p>Private sector organizations successfully involved in project implementation.</p>

PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

Life of Project: \_\_\_\_\_ years  
From FY 85 to FY 92  
Total U.S. Funding: 56.3 Million  
Date Prepared: July 1985

AID 1620-28 (7-71)  
SUPPLEMENT I

Project Title & Number: Development Training (367-0152)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS																																																																																																																																																																										
<p><b>Outputs:</b> Public and private sector Nepalese personnel trained in management or technical fields (academic, technical and practical) in the U.S., India and Other Asian Countries, and in-country</p>	<p><b>Magnitude of Outputs:</b> <u>Number of Nepalese Trained</u></p> <table border="1"> <thead> <tr> <th>YEAR:</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> <th>7</th> <th>8</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td colspan="10"><u>U.S.</u></td> </tr> <tr> <td>Academic</td> <td>-</td> <td>3</td> <td>4</td> <td>4</td> <td>4</td> <td>4</td> <td>2</td> <td>-</td> <td>21</td> </tr> <tr> <td>Technical</td> <td>-</td> <td>3</td> <td>3</td> <td>2</td> <td>2</td> <td>2</td> <td>2</td> <td>-</td> <td>14</td> </tr> <tr> <td>Practical</td> <td>-</td> <td>4</td> <td>4</td> <td>4</td> <td>4</td> <td>4</td> <td>4</td> <td>4</td> <td>28</td> </tr> <tr> <td><u>Sub-Total</u></td> <td>-</td> <td>10</td> <td>11</td> <td>10</td> <td>10</td> <td>10</td> <td>8</td> <td>4</td> <td>63</td> </tr> <tr> <td colspan="10"><u>INDIA</u></td> </tr> <tr> <td>Academic</td> <td>41</td> <td>30</td> <td>30</td> <td>30</td> <td>30</td> <td>30</td> <td>30</td> <td>-</td> <td>221</td> </tr> <tr> <td>Technical</td> <td>-</td> <td>10</td> <td>10</td> <td>10</td> <td>10</td> <td>10</td> <td>10</td> <td>10</td> <td>70</td> </tr> <tr> <td><u>Sub-Total</u></td> <td>41</td> <td>40</td> <td>40</td> <td>40</td> <td>40</td> <td>40</td> <td>40</td> <td>10</td> <td>291</td> </tr> <tr> <td colspan="10"><u>OTHER ASIA</u></td> </tr> <tr> <td>Academic</td> <td>-</td> <td>5</td> <td>5</td> <td>5</td> <td>5</td> <td>5</td> <td>5</td> <td>-</td> <td>30</td> </tr> <tr> <td>Technical</td> <td>-</td> <td>-</td> <td>3</td> <td>3</td> <td>2</td> <td>2</td> <td>2</td> <td>2</td> <td>14</td> </tr> <tr> <td>Practical</td> <td>-</td> <td>4</td> <td>4</td> <td>4</td> <td>4</td> <td>4</td> <td>4</td> <td>4</td> <td>28</td> </tr> <tr> <td><u>Sub-Total</u></td> <td>-</td> <td>9</td> <td>12</td> <td>12</td> <td>11</td> <td>11</td> <td>11</td> <td>6</td> <td>72</td> </tr> <tr> <td><u>IN-COUNTRY</u></td> <td>-</td> <td>60</td> <td>120</td> <td>150</td> <td>150</td> <td>150</td> <td>150</td> <td>150</td> <td>930</td> </tr> <tr> <td><u>GRAND TOTAL</u></td> <td>41</td> <td>119</td> <td>183</td> <td>212</td> <td>211</td> <td>211</td> <td>209</td> <td>170</td> <td>1,356</td> </tr> </tbody> </table> <p>NOTE: Of the total 1,356 trainees, a minimum of 25 percent or 339 persons will be women. Similarly, a minimum of 10 percent or 135 persons trained will be from the private sector.</p>	YEAR:	1	2	3	4	5	6	7	8	Total	<u>U.S.</u>										Academic	-	3	4	4	4	4	2	-	21	Technical	-	3	3	2	2	2	2	-	14	Practical	-	4	4	4	4	4	4	4	28	<u>Sub-Total</u>	-	10	11	10	10	10	8	4	63	<u>INDIA</u>										Academic	41	30	30	30	30	30	30	-	221	Technical	-	10	10	10	10	10	10	10	70	<u>Sub-Total</u>	41	40	40	40	40	40	40	10	291	<u>OTHER ASIA</u>										Academic	-	5	5	5	5	5	5	-	30	Technical	-	-	3	3	2	2	2	2	14	Practical	-	4	4	4	4	4	4	4	28	<u>Sub-Total</u>	-	9	12	12	11	11	11	6	72	<u>IN-COUNTRY</u>	-	60	120	150	150	150	150	150	930	<u>GRAND TOTAL</u>	41	119	183	212	211	211	209	170	1,356	<p>HMG/N, private, and USAID/N records and files.</p>	<p><b>Assumptions for achieving outputs:</b> Sufficient qualified personnel, in particular women, are available for training. Trainee nomination, selection and placement proceed in timely manner.</p>
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**PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK**

AID 1985-88 (7-71)  
SUPPLEMENT I

Life of Project: 7 Years  
From FY 85 to FY 92  
Total U.S. Funding \$6.3 Million  
Date Prepared: July 1985

Project Title & Number: Developing Training (367-0152)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Inputs:</p> <p><u>USAID/Nepal</u></p> <p>AID's principal input is \$6.3 million in grant. Grant funds will be used to cover training costs of some 1,356 trainees, both overseas and in-country, and other related costs.</p> <p>1. Participant Training</p> <p>2. Technical Assistance a. Contract (India) b. In-country Institutions c. In-country Consultants</p> <p>3. Evaluation/Audit</p> <p>4. Contingency</p>	<p>Implementation Target (Type and Quantity)</p> <p>1. U.S. 504 p/m Academic (\$1,297,020) 42 p/m Technical ( 223,265) 42 p/m Practical ( 233,830)</p> <p><u>INDIA</u> 5,304 p/m Academic ( 1,797,204) 420 p/m Practical ( 373,500)</p> <p><u>OTHER ASIA</u> 720 p/m Academic ( 1,116,360) 2 p/m Technical ( 108,030) 2 p/m Practical ( 106,188) \$5,255,397</p> <p>2. Technical Assistance a. USEF/I 237,180 b. Course development, etc. 140,000 c. Salaries, travel, etc. 325,000</p> <p>3. Evaluation/Audit 50,000</p> <p>4. Contingency 292,423</p> <p>AID TOTAL \$6,300,000</p>	<p>1. Project documents.</p> <p>2. Project documents.</p> <p>3. Project documents.</p> <p>4. Project documents.</p>	<p>Assumptions for providing inputs:</p> <p>1. HMG/N and USAID/N funds are provided on a timely basis.</p> <p>2. Conditions precedent are met as scheduled.</p>

**PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK**

Life of Project: 7 Years  
 From FY 85 to FY 92  
 Total U.S. Funding \$6.3 Million  
 Date Prepared: July 1985

AID 1020-00 (7-71)  
 SUPPLEMENT I

Project Title & Number: Development Training (367-0152)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<b>Inputs:</b> <u>HMG/N-Private</u>	Implementation Target (Type and Quantity)		Assumptions for providing inputs:
HMG/N and local contribution totalling \$1.5 Million will be to pay for partial international travel costs, participants' salaries, clothing allowances, and program management and in-kind support for In-Country Training.			
1. Salaries	1. Salaries 1,067,400	1. HMG/N-Local documents.	
2. Travel	2. Travel 94,740	2. HMG/N-Local documents.	
3. Clothing Allowance	3. Clothing Allowance 72,420	3. HMG/N-Local documents.	
4. Value of management time and in-kind support	4. Value of management time and in-kind support 90,200	4. HMG/N-Local documents.	
5. Inflation	5. Inflation 132,476	5. HMG/N-Local documents.	
6. Contingency	6. Contingency 42,764	6. HMG/N-Local documents.	
	HMG/N TOTAL 1,500,000		
	GRAND TOTAL 7,800,000		

ANNEX C

PROJECT ANALYSES

1. Technical Analysis

a. Education and Training for Public and Private Service

The Nepal Civil Service comprises 80,418 positions, of which seven to 10 percent are vacant. The Service is broadly divided into two levels: the gazetted or officer level, and the non-gazetted or assistant level. Just over 7,500 fall into the officer category. Of the non-gazetted category, nearly 30 percent are classified as messengers, which means that administrative and clerical ranks number something over 50,000. It is estimated that about 30 percent of the civil servants are posted in central level agencies in Kathmandu or central level development projects. The remainder are assigned at different levels of civil administration in various zones and districts outside the Kathmandu Valley.

As reported in a 1983 ILO study, a UNIDO survey of the late 1970's identified over 3,500 private industries in the small (fixed assets between Rs. 200,000 and 2.0 million), medium (Rs.2.0-10.0 million in fixed assets) and large (above Rs.10.0 million in fixed assets) range.\* About 75 percent (2,600) were engaged in processing agricultural products, e.g., rice and oil milling; over 130 were in the furniture business; about 100 in printing; and 95 in brick and tile manufacture. Total employment amounted to 56,000 people with 192 firms employing more than 50 people and only 12 engaging more than 500 on their payrolls. The sector was then and still is dominated by a small number of families, many of Indian origin. HMG/N's Central Bureau of Statistics released in June 1985 an update of this information based on 1982-83 statistical surveys. The total number of industries had risen to 4,903, employing 73,718 people. Processing of agricultural products continued as the largest industrial sub-sector with over 3,500 such firms. The furniture, printing and brick and tile enterprises continued, respectively, as the next largest sub-sectors.

Nepali institutions of higher education provide the bulk of the trained manpower for the public and private sectors. While estimates of requirements for the nascent private sector are not compiled in a detailed and comprehensive manner, HMG/N's

\* UNIDO survey as quoted in "International Labor Organization (ILO) Mission on Management Development in Nepal", I.G. Cummings, Consultant, May 11, 1983.

successive Five Year Plans contain summary supply and demand forecasts of public manpower requirements at high, middle, and basic levels of professional competence (MA or Ph.D.; associate or BA/BS; and school leaving or below, respectively). It is at the higher level that HMG/N depends most heavily on foreign assistance to meet training needs. This project aims at assisting HMG/N and the Nepalese private sector in closing trained manpower gaps at this level, in critical areas according to project objectives.

b. HMG/N Priorities

With the end of the Sixth Five Year Plan in mid-July 1985, some 5,300 high level professionals occupied key positions in the government. This falls short, by nearly 1,300, of filling requirements. In the Seventh Plan, for which only preliminary data are available, the goal at the high level is 9,200; however, planners estimate that the five year effort will fall short by about 1,100 personnel. Of some 2,800 individuals predicted to qualify for high level entry during the Seventh Plan, over half will come from domestic institutions and a little under one-half will finish their studies abroad. The professional fields of the overseas students are clustered as follows: 536, engineering; 168, health; 550, agriculture; and 114, forestry. This underscores the importance of donor aid in the preparation of top-level professionals.

In addition, there is a shortage of HMG/N economists with training adequate to analyze policy alternatives, evaluate proposals for investment and influence expenditure decisions. This shortage is felt in the National Planning Commission as well as in the Ministry of Finance, through which all development aid flows. Further, central programming units in line ministries often lack trained personnel to develop sound plans for program/project implementation.

There are numerous other shortages. The Decentralization Act of 1982 delegated authority to district offices and local representatives of line ministries for deciding investment priorities for implementing development schemes. However, shortages of trained manpower at the field level are readily apparent, and these shortages have slowed donor projects as well as implementation of the act itself.

Demand levels are quantified in the Seventh Plan in sectoral terms without specifying discipline or speciality, e.g., scientists/technicians may be indicated to be in short supply, however, the Plan will not identify individual vacancies in particular government agencies. Although final figures are not in, a Sixth Plan short-fall is predicted: for example, 340 engineers; 139 health professionals; 673 agriculturalists; and 204 foresters. Looking ahead in the same categories to the end of the

Seventh Plan, the prediction is that demand will again exceed supply: 438 in engineering; 164 health; 405 agriculture; 28 forestry; and 46 scientists/technicians.

For this project, a close look at priorities was especially critical because of the limited resources available, and also because of the focus on private sector and women's participation and on upgrading skills of key managers and technicians, both public and private. From the government's viewpoint, donor-funded training is required mainly in agriculture, still the priority sector with heavy emphasis on potential training opportunities in India. Second highest demand is the generalist field of planning, management and administration. (Although not readily apparent from HMG/N studies, the presumption is that education and training in these skills would enhance the capability of central agencies and ministries to better plan the use of public resources for economic and social development ends. Based on this same rationale, consideration should also be granted to the trained manpower needs of some of the more essential public enterprises, e.g., the public utilities, whose products are vital to the expanded participation of the Nepalese population in the benefits of development.) Of about equal importance in central HMG/N planners' views are engineering and health, both requiring skills obtainable in India in either long or short-term programs. Finally, HMG/N planners indicate training needs in forestry at the higher level.

These training needs, as perceived by HMG/N planners, are incorporated into the design of this project to the extent that they coincide with AID's own training interests.

c. Private Sector Priorities

Data on training needs among managers and supervisors in the private sector are not developed, collected and published by any government or private agency. The present state of statistical development in Nepal has not yet, and probably will not for many years, encompass the subject of management training and the existing needs for such training in either the public or private sectors. Consequently, planners, developers and project designers must depend entirely on miscellaneous information of various origins. The material assembled by the design team and discussed in the following paragraphs is from reports by international agency experts, publications by local institutions and discussions with representatives of the business and professional community. While the format is not that of a needs assessment, the content graphically demonstrates the widespread perceived need for general management training and a growing demand for greater knowledge on specific topics identified with management. In sum and substance, available data support the objectives of DTP as they relate to upgrading private sector management capabilities.

The 1983 ILO study, as mentioned above, reviewed the broad subject of management and the need for management skills training in the public enterprise and private sectors. Several key findings of this study are noteworthy in the context of DTP efforts to upgrade management capabilities in the private sector and certain elements of the public sector, e.g., public enterprises:

- Institutions are needed which can offer skills training in such techniques or systems as corporate planning; financial and budgeting control systems; industrial engineering techniques; and maintenance management systems, to identify only a few of the priorities;
- In public enterprises, inadequate management practices contribute to low performance. In many enterprises, chief executive officers lack management training and experience;
- Skills training for first-line supervisory level personnel is needed in such areas as communication, leadership, motivation and human relations, job training and induction, and problem-solving and decision-making;
- Sector demand encompasses banking, hotels and tourism, export-import promotion, construction and, high on the priority list, management consultancy services.

The ILO study found that by focusing initially on senior and middle managers who hold administrative positions in the public enterprises there were approximately 2,700 probably needing some form of management skills training with another 378 or so being added each year. A further 1,050 senior and middle management positions existed in the private sector with 100 or so being added each year.

A recent study of management training needs conducted by the Institute of Management (IOM) involved some 143 small and medium scale enterprises of which 92 were analyzed in considerable depth.\* Among them, six were proprietorships, five partnerships, five public limited companies and 76 private limited companies. Only eight of the firms employed 300 or more, while 54 engaged

Industrial Enterprises in Nepal: Management Practices and Training Needs, Institute of Management, Tribhuvan University, January 1985.

less than 100. Total employees in the sample of 92 firms numbered 12,770 of whom 255 were owners/chief executives, 793 supervisors and the remainder nominal employees. IOM concluded that 224 senior persons from the 92 firms were potential candidates for management training. By spreading the analysis across the total of 143 firms contacted, the number of potential trainees rises to 348.

Another indicator of the number of potential candidates for management skills training in the private sector results from applying the analytical results of the IOM study to the current manufacturing sector as reported by the Central Bureau of Statistics. In its sample of 94 firms, IOM found that 2.0 percent of the total number of personnel were in the owner/chief executive category and 5.8 percent were supervisors. Taking the Statistics Bureau's census of 73,718 employees in 4,900 firms as the reservoir, calculations show that 1,475 individuals would fall into top management and 4,275 into supervisory roles. These orders of magnitude, while only estimates, serve to illustrate in still another fashion the sizable audience toward which management training--especially in-country seminars and workshops--can be directed.

## 2. Social Soundness Analysis

### a. Discussion of Issues

There is no doubt that one of the most serious constraints to the development of Nepal is the shortage of trained managers and technical personnel. This constraint is invariably identified at seminars and workshops concerned with development in Nepal and has been highlighted in the World Bank's Country Report. The provision of additional trained manpower is essential to improved planning, implementation, and management of government services and development projects.

Nepal suffers from insufficient training facilities and from inadequate and frequently irrelevant training in some existing facilities, as well as widespread low motivation for applying skills learned. Since this project will provide opportunities for training personnel outside the country, as well as training in-country, this social soundness analysis will focus on the issue of whether the remaining constraints can be sufficiently overcome to insure that more trained manpower will actually result in increased benefits to Nepal.

To the extent that constraints resulting from low motivation require overall administrative reform, this project can only indirectly participate in the process of overcoming these constraints. While the provision of training opportunities to more government officials will hopefully speed the progress along, more effective management ultimately depends upon the degree to

which HMG/N is successful in implementing administrative and personnel reforms across the board. Recent changes in HMG/N in-service promotion rules giving more weight to service in remote areas and to successful completion of in-country training are important steps in the right direction and are indications of an increased willingness to deal with the problems involved. However, a number of thorny issues such as the delegation of authority and the means for encouraging initiative, responsibility and better personnel management at lower levels still await resolution.

There are some respects, however, in which this project has the opportunity to more directly assist the government in its efforts to increase effectiveness through increasing motivation. Within Nepal, the opportunity for undergoing training abroad is highly sought after not only as a means to improve one's skills, effectiveness and opportunities for assuming more responsible positions, but also as an end in itself. The opportunity of going abroad with all its attendant benefits of seeing new places, meeting new people, purchasing goods unavailable or prohibitively expensive in Nepal, etc. is viewed as a reward. As such, it functions as a very effective incentive system for attracting and retaining the services of qualified individuals in a country where the government is financially unable to provide adequate salary incentives.

Recognizing this incentive value of training opportunities, HMG/N has sometimes instituted a policy of providing selection priority to personnel who have, or presently are, serving in the remote rural areas of the country which many civil servants prefer to avoid. However, the effective implementation of such a policy is constrained by the lack of qualified personnel in the rural areas as well as by the realities of any small bureaucracy in which persons closer to the seats of decision making are able to lobby more effectively than those who lack physical and personal communication channels. Nonetheless, to the extent that this project can reinforce HMG/N's policy of giving priority to personnel who serve in remote district centers and rural areas, it can have a direct impact on increasing motivation for qualified government officials to serve in these locations.

However, reinforcement of government policy is more easily planned than implemented. Attempts to institute just, meritocratic public service systems remain an unrealized ideal in most parts of the world. In Nepal, such attempts become even more difficult to implement because they frequently cross-cut kin, caste, and other social obligations which can place administrators in situations where traditional and modern values conflict (such as when deciding who should be nominated for a training opportunity). Recognition that such decisions are a choice

between options which are both legitimate within their own terms of reference (public administration norms and policies versus social norms and obligations) and recognition that an administrator's future career is as dependent on maintaining the one as much as the other, is necessary to an understanding of the constraints this policy faces. To the extent that USAID/Nepal policy is used to provide outside support for HMG/N policy, it can reinforce policy--and project--implementation by relieving local administrators of some of the repercussions of decisions which stress public policy norms over personal kinship and social ties.

With regard to the relevance and adequacy of training, this project can also have important direct benefits if it is effectively implemented. The education and training system of Nepal has been striving valiantly to integrate its legacy of lecture-and-rote theoretical learning inherited from British India and its own priestly tradition with the more participatory and practical educational styles required by the modern world. However, this is a lengthy process which depends to a large extent on the emergence of a new generation of educators/trainers who have themselves been trained in new ways such as those developed in the U.S. Previous participant training provided by USAID/Nepal and other donors have made a significant impact in this area, but it is clear that there is still considerable room for improvement. By increasing the number of officials and trainers who are exposed to those alternative methods of education and training, this project can provide the means for improving the effectiveness of in-country training through the incorporation of better techniques and more relevant curricula.

The impact of the training provided in this project will be enhanced by the multiplier effect. As participants return from overseas, many will be in a position to train their colleagues. In addition to these informal influences on their associates, there will be opportunities for training in seminars and workshops. Some may publish in a form that can be transmitted to the community at large. Most will transmit their learning by becoming agents of change within their organizations, suggesting and showing new ways to analyze and solve technical and management problems. In this way participation of the beneficiaries with their colleagues and the community at large will be achieved.

b. Beneficiaries

The primary beneficiaries of this project will be those participants selected for foreign training, as well as those who participate in in-country training. Secondary beneficiaries will be the thousands of Nepalese who will receive improved government services as a consequence of improved technical and management procedures, as well as those Nepalese who will benefit from more efficient attention and consideration to consumer

products and issues, as a result of skills upgrading in private and public enterprises.

The project will support training of those private sector and HMG/N officials who possess the necessary leadership and authority to translate newly acquired technologies and skills into resolution of basic development problems. The anticipated spread effect is based on the extent to which returned participants can or will choose to exercise key leadership roles in applying newly gained knowledge and skills and in conveying these skills to co-workers. In the selection of training courses, preference will be given to programs where potential for spread effect is high by virtue of the course content and the participant's position in HMG/N or in the private sector.

### 3. Economic Analysis

Since this is a training project with no quantifiable production of revenue, normal benefit-cost analysis is not possible, nor is cost-effectiveness analysis appropriate. This project is designed to upgrade Nepal's supply of trained manpower in order to meet economic development needs. In the economy, shortages of well trained mid-level technical and management personnel constrain new investment, full utilization of available capital and effective delivery of services. It is vitally important that managers, administrators and technicians continually upgrade their skills and knowledge to adapt operations to meet new demands in both the public and private sectors. Furthermore, by providing trained administrators, planners and technical personnel to HMG/N and the private sector both Nepal's development funds and USAID/Nepal's inputs will be used more efficiently. A continuing problem in development is identifying and planning projects, recognizing project problems, and analyzing data both before and during a project. If this project can improve these skills within HMG/N, better project design and administration should assure a better use of development funds.

This project will, to the extent it is successful in improving these skills, provide excellent value for the resources committed to it.

4. Financial Analysis

PROPOSED PROJECT BUDGET - EXPENDITURES  
(US\$ by Fiscal Year)

	1985	1986	1987	1988	1989	1990	1991	1992	Total
<b>A. <u>AID Contribution</u></b>									
<b>1. <u>Participant Training</u></b>									
<b>a. <u>U.S.</u></b>									
Academic (21)	-	72,300	178,000	223,120	246,640	272,560	223,520	80,880	1,297,020
Technical (14)	-	39,000	42,465	30,860	33,710	36,860	40,370	-	223,265
Practical (28)	-	26,800	28,600	30,640	32,890	35,410	38,200	41,290	233,830
Sub-Total	-	138,100	249,065	284,620	313,240	344,830	302,090	122,170	1,754,115
<b>b. <u>India</u></b>									
Academic (221)	84,624	225,780	212,400	234,000	259,200	288,000	316,800	176,400	1,797,204
Technical (70)	-	38,400	42,600	47,100	52,200	57,900	64,200	71,100	373,500
Contract (USEF/I)	-	25,000	27,500	30,250	33,275	36,603	40,263	44,289	237,180
Sub-Total	84,624	289,180	282,500	311,350	344,675	382,503	421,263	291,789	2,407,884
<b>c. <u>Other Asia</u></b>									
Academic (30)	-	66,960	148,800	165,000	183,000	202,800	225,000	124,800	1,116,360
Technical (14)	-	-	18,090	20,070	14,850	16,470	18,270	20,280	108,030
Practical (28)	-	10,878	12,060	13,380	14,850	16,470	18,270	20,280	106,188
Sub-Total	-	77,838	178,950	198,450	212,700	235,740	261,540	165,360	1,330,578
<b>d. <u>In-Country Training</u></b>									
Local Institutions	-	20,000	20,000	20,000	20,000	20,000	20,000	20,000	140,000
Consultants (S/T)	-	50,000	50,000	50,000	50,000	50,000	50,000	25,000	325,000
Sub-Total	-	70,000	70,000	70,000	70,000	70,000	70,000	45,000	465,000
Sub-Total-Training	84,624	575,118	780,515	864,420	940,615	1,033,073	1,054,893	624,319	5,957,577
<b>2. <u>Evaluation</u></b>	-	-	-	-	-	-	-	-	50,000
<b>3. <u>Contingency</u></b>	-	-	-	-	-	-	-	-	292,423
Sub-Total - AID Contribution	-	-	-	-	-	-	-	-	6,300,000

NOTE: 1. Inflation factor of 11% calculated annually in all training programs.  
2. In-Country consultants not inflated; increases relate to USDH raise and could be covered from Contingencies.

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>Total</u>
<u>B. HMG/N and Other Local Contributions</u>									
1. U.S. Trainees	-	18,750	22,920	21,900	21,900	21,900	13,560	3,180	124,110
2. India Trainees	160,310	129,400	129,400	129,400	129,400	129,400	129,400	12,100	948,810
3. Other Asia Trainees	-	24,030	27,090	27,090	26,070	26,070	26,070	5,220	161,640
4. Training Support (including Program Management and In-Country)	-	13,600	13,600	13,600	13,600	13,600	13,600	8,600	90,200
Sub-Total-Training	160,310	185,780	193,010	191,990	190,970	190,970	182,630	29,100	1,324,760
Inflation (10%)									132,476
Contingency									42,764
Sub-Total-HMG/N and Other Local Contributions									1,500,000
C. GRAND TOTAL (AID-HMG/N and Local)									7,800,000

- NOTE: 1. HMG/N support for participants calculated as follows: Salary, \$150/month/participant; Clothing Allowance, \$170/participant; Travel, \$400 (US/Other Asia); \$140 (India).
2. Training Support: Two composite years of program management effort, ( $\$150 \times 12 \times 2 = \$3,600 \times 7 = \$25,200$ ). In-kind support for in-country training: Estimate of \$2,500/per seminar, workshop or skills training session for space, administrative support, logistics, etc. ( $\$2,500 \times 26 \text{ seminars} = \$65,000$ ).

Notes on Proposed Budget  
U.S.

Academic (24 Months)

Year	Total No. of Participants	Monthly Rate	Annual Total per Participant (cx12 months)	Cumulative Participants each year	Annual Total for all Participants (dxe)	Travel (bx2,500)	Total (f+g)
a	b	c	d	e	f	g	h
1985	-	-	-	-	-	-	-
1986	3	1,800	21,600	3	64,800	7,500	72,300
1987	4	2,000	24,000	7	168,000	10,000	178,000
1988	4	2,220	26,640	8	213,120	10,000	223,120
1989	4	2,465	29,580	8	236,640	10,000	246,640
1990	4	2,735	32,820	8	262,560	10,000	272,560
1991	2	3,035	36,420	6	218,520	5,000	223,520
1992	-	3,370	40,440	2	80,880	-	80,880
<b>Total</b>	<b>21</b>				<b>1,244,520</b>	<b>52,500</b>	<b>1,297,020</b>

Technical (3 Months)

(cx3 months)

1985	-	-	-	-	-	-	-
1986	3	3,500	10,500	3	31,500	7,500	39,000
1987	3	3,885	11,655	3	34,965	7,500	42,465
1988	2	4,310	12,930	2	25,860	5,000	30,860
1989	2	4,785	14,355	2	28,710	5,000	33,710
1990	2	5,310	15,930	2	31,860	5,000	36,860
1991	2	5,895	17,685	2	35,370	5,000	40,370
1992	-	-	-	-	-	-	-
<b>Total</b>	<b>14</b>				<b>188,265</b>	<b>35,000</b>	<b>223,265</b>

Practical (1.5 Months)

(cx1.5 months)

1985	-	-	-	-	-	-	-
1986	4	2,800	4,200	4	16,800	10,000	26,800
1987	4	3,100	4,650	4	18,600	10,000	28,600
1988	4	3,440	5,160	4	20,640	10,000	30,640
1989	4	3,815	5,722.50	4	22,890	10,000	32,890
1990	4	4,235	6,352.50	4	25,410	10,000	35,410
1991	4	4,700	7,050	4	28,200	10,000	38,200
1992	4	5,215	7,822.50	4	31,290	10,000	41,290
<b>Total</b>	<b>28</b>				<b>163,830</b>	<b>70,000</b>	<b>233,830</b>

NOTE: 1. Monthly rates include contractor's service charge, actual training costs, ALIGU/TOEFL test fees, and medical check-ups.

2. 11% inflation factor applied annually.

INDIA

Academic (24 Months)

Year	Total No. of Participants	Monthly Rate	Annual Total per Participant (cx12 months)	Cumulative Participants each year	Total (dxe)
a	b	c	d	e	f
1985	41	172	2,064	41	84,624
1986	30	265	3,180	71	225,780
1987	30	295	3,540	60	212,400
1988	30	325	3,900	60	234,000
1989	30	360	4,320	60	259,200
1990	30	400	4,800	60	288,000
1991	30	440	5,280	60	316,800
1992	-	490	5,880	30	176,400
<b>Total</b>	<b>221</b>				<b>1,797,204</b>

Technical (6 Months)

(cx6 months)

1985	-	-	-	-	-
1986	10	640	3,840	10	38,400
1987	10	710	4,260	10	42,600
1988	10	785	4,710	10	47,100
1989	10	870	5,220	10	52,200
1990	10	965	5,790	10	57,900
1991	10	1,070	6,420	10	64,200
1992	10	1,185	7,110	10	71,100
<b>Total</b>	<b>70</b>				<b>373,500</b>

- NOTE:
1. Monthly rates include actual training costs plus medical check-up fees. Participant placement will be handled by USAID/India; other related services will be provided by USEF/I under contract.
  2. 11% inflation factor applied annually.
  3. Travel costs will be borne by HMG/N and other local institutions.

OTHER ASIA

Academic (24 Months)

Year	Total No. of Participants	Monthly Rate	Annual Total per Participant (cx12 months)	Cumulative Participants each year	Total (dxe)
a	b	c	d	e	f
1985	-	-	-	-	-
1986	5	1,116	13,392	5	66,960
1987	5	1,240	14,880	10	148,800
1988	5	1,375	16,500	10	165,000
1989	5	1,525	18,300	10	183,000
1990	5	1,690	20,280	10	202,800
1991	5	1,875	22,500	10	225,000
1992	-	2,080	24,960	5	124,800
<b>Total</b>	<b>30</b>				<b>1,116,360</b>

Technical (3 Months)

(cx3 months)

1985	-	-	-	-	-
1986	-	1,813	-	-	-
1987	3	2,010	6,030	3	18,090
1988	3	2,230	6,690	3	20,070
1989	2	2,475	7,425	2	14,850
1990	2	2,745	8,235	2	16,470
1991	2	3,045	9,135	2	18,270
1992	2	3,380	10,140	2	20,280
<b>Total</b>	<b>14</b>				<b>108,360</b>

Practical (1.5 Months)

(cx1.5 months)

1985	-	-	-	-	-
1986	4	1,813	2,719.50	4	10,878
1987	4	2,010	3,015	4	12,060
1988	4	2,230	3,345	4	13,380
1989	4	2,475	3,712.50	4	14,850
1990	4	2,745	4,117.50	4	16,470
1991	4	3,045	4,567.50	4	18,270
1992	4	3,380	5,070	4	20,280
<b>Total</b>	<b>28</b>				<b>106,188</b>

- NOTE: 1. Monthly rates include actual training costs, ALIGU/TOEFL test fees, and medical check-ups. Participant placement and other related services will be provided by Missions in Asian countries.
2. 11% inflation factor applied annually.
3. Travel credited to HMG/N because only Manila and South Korea are outside RNAC operating areas; dollar costs will be charged to AID Contingency.

IN-COUNTRY

Development support for training associations, e.g., MAN, BPWC, estimated at \$20,000 annually for seven years beginning in 1986. Funds are to be used to supplement budgets of local institutions offering management and other training activities.

Estimated costs for short-term consultants per person-trainer is calculated as:

1. Salary : 30 days @ \$225/day = \$ 6,750
2. Per diem : 30 days @ \$63/day = \$ 1,890
3. Transportation: Round trip airfare = \$ 2,500  
\$ 11,140

\$11,140 X 2 trainers = \$ 22,280

Administrative expenses = \$ 1,000

Contingency = \$ 1,720  
\$ 25,000 X 2 per year

No inflation calculated. Daily fee increase related to USDH adjustments, therefore to be covered from Contingency.

5. Administrative Analysis

a. Host Country

The Development Training Project is unlike current Mission projects in that the training programs to be offered are not part of on-going USAID/Nepal projects. As a general training project, it will be implemented by USAID/Nepal and the Ministry of Finance's Foreign Aid Coordination Division.

USAID/Nepal and HMG/N successfully implemented the Manpower Development Training Project (367-0224) from 1973 to 1980. During this earlier project clearcut administrative arrangements were established to effectively achieve project objectives. As confirmation of this, both USAID/Nepal Project Evaluation Summaries and an outside "Evaluation of Manpower Development Training Programme" by a New ERA research team in December 1980 found the arrangement to be satisfactory. Therefore USAID/Nepal believes that an adequate administrative/managerial base exists within HMG/N to successfully implement the Development Training Project.

b. USAID/Nepal

There are no unusual administrative arrangements involved in this project. The Mission has a Training Branch capably staffed with Nepalese personnel of long service who are entirely familiar with participant training procedures. The follow-on nature and scale of this project present no new difficulties or dilemmas.

6. Environmental Analysis

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



# His Majesty's Government

MINISTRY OF FINANCE  
KATHMANDU  
NEPAL

23rd September 1985

Dr. Janet C. Ballantyne  
Acting Director  
USAID/Nepal  
Kathmandu

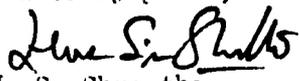
Dear Dr. Ballantyne,

On behalf of His Majesty's Government I would like to express sincere appreciation to the Government of the United States of America for its continued support in developing human resources in Nepal. His Majesty's Government would like to request you for further support in continuing this human resources development programme in the coming years also.

I am confident that your support for human resources development, particularly the development training programme will help Nepal strengthen the managerial, technical and practical aspects of manpower.

With best regards,

Sincerely yours,

  
H. S. Shrestha  
Additional Secretary

**Best Available Document**

ANNEX E

IN-COUNTRY TRAINING INSTITUTIONS

Two local organizations have been identified as having the capability of undertaking--with some project assistance--pilot in-country training activities. These are the Management Association of Nepal (MAN) and the Business and Professional Women's Club of Nepal (BPWC). A brief description of each follows:

1. Management Association of Nepal

MAN, a professional non-government organization of managers, was formally registered in July 1980 and held inaugural ceremonies the following October. In February 1982 MAN conducted an annual convention which has been held each year since. Membership numbers over 260 individual members, four institutional associated members and 35 corporate members, representing the public sector, i.e., government agencies and public enterprises, and private firms and professional affiliations. Virtually every individual member holds a degree--most at the master's level or above--or is a chartered accountant.

MAN started modestly in its training activities with public lectures, film shows, discussion fora, workshops and seminars. At its latest convention the Association organized itself into six so-called "Core Groups" around which a more structured training program will be organized, covering such topics as financial management, human resources management, general and top management, logistics and marketing, property management, and production management. A full-time secretariat runs the Association's day-to-day business, while Core Group chairpersons volunteer their time, as do their group members. In its new programs, members plan to add symposia, essay competitions, research activities, consultancies and public relations promotions to the already existing range of management training undertakings. In instilling more structure into its agenda, MAN envisions staffing most of its training efforts from its own membership, while looking outside for a limited number of advanced, top rank consultant trainers, e.g., from the American Management Association (AMA). Finally, the Association has plans for an employment service designed along the lines of executive search firms which recruit specific talent for particular jobs.

Activities undertaken by MAN during the past three years include lectures, films and discussions; short-term training programs; and seminars and workshops.

Lectures were on the following subjects: Management Development in Nepal, Issues and Problems in Management, Training for the Manager, The Computer Reaches Nepal (along with Apple Computer Demonstration), The Role of the Public and Private

sectors in Nepal, Management and Productivity, Management Scenario in Nepal, Productivity Movement and Management Development in Nepal, Role of the Manager in Development, Management Training Education in India, and The Role and Prospects of Private Enterprises in Nepal.

Management film shows and discussions were organized on the following subjects: Motivation, Discipline, Delegation, Time Planning, Planning Meetings, Profile of a Manager, and Role of Manager.

Training programs were organized as follows:

<u>Name of Course</u>	<u>No. of Participants</u>	<u>Duration</u>
1. General management	35	2 Weeks
2. Internal Auditing	35	1 Week
3. Improving Transit and Warehousing Practices Through Front-Line Supervisory Actions	19	2 Weeks
4. "Future Challenges for Directors"	25	1 Week
5. Process of Learning an Organization	24	1 Week
6. Top Management Seminar	18	1 Week
7. Strategic Planning for Computerization	20	1 Week

The last four of these seminars were organized in collaboration with the All India Management Association (AIMA).

Besides the above short-term training programs, MAN, also in collaboration with the AIMA, conducts management correspondence courses at the post graduate level. The duration of the full course is two years. Tuition classes for students are also run by MAN in Kathmandu. There are 11 and 20 participants respectively for the first and second correspondence courses.

Future training programs are planned as follows: General Management (with case studies), Internal Auditing, Personnel Management, Secretarial Training, Supervision, Supplies and Materials Management, Site Management, Transit Warehousing Management, Entrepreneurship Development, Board of Directors, and Corporate Planning.

At present MAN rents its premises. For the purpose of training or seminars, facilities provided by its institutional members are used.

2. Business and Professional Women's Club of Nepal

The BPWC numbers some 365 members at three locations in the country, representing government, teaching, medicine, law and business. The BPWC has a full-time staff of five to handle association business and coordinate their various projects. As stated in their charter, BPWC aims and objectives are as follows:

- a. To encourage and help skilled womenfolk to engage themselves in various economic occupations and professions rather than limiting themselves within the four walls of their respective households.
- b. To encourage women to equip themselves with suitable skills that will prepare them for various technical and professional undertakings and otherwise to help them attain self-dependence, as against the existing tradition that seeks to limit their economic activities in the shape of basically unskilled labor.
- c. To promote mutual exchange of experiences, co-operation and understanding amongst women involved in different economic occupations and holding positions of responsibility in society.
- d. The Club shall actively address itself to the task of encouraging women, engaged in economic and professional occupations, towards their financial, social and intellectual advancement, and, at the same time, in helping them realize the dignity of their profession and shoulder the responsibility, in a spirit of collaboration, of contributing towards the country's all round development.

To date, the BPWC has been most active in establishing day care centers, running a job referral service for women, and collecting data on working women in various fields--in addition to conducting its regular meetings and special programs.

Given that DTF and BPWC goals are similar, in terms of encouraging women's participation in the job market, BPWC is seen as a particularly appropriate implementing entity for the in-country component of the project.