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U N C L A S S I F I E D

AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D. C. 20523

PROJECT PAPER
AMENDMENT 3

INDONESIA: General Participant
Training II (497-0328)

July 30, 1988

U N C L A S S I F I E D

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

INDONESIA

GENERAL PARTICIPANT TRAINING II

PROJECT PAPER AMENDMENT 3

JULY 1988

USAID/INDONESIA

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT DATA SHEET

1. TRANSACTION CODE
 C A = Add
C = Change
D = Delete

Amendment Number 3

DOCUMENT CODE 3

2. COUNTRY/ENTITY
INDONESIA

3. PROJECT NUMBER
497-0328

4. BUREAU/OFFICE
ANE 04

5. PROJECT TITLE (maximum 40 characters)
General Participant Training II

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)
MM DD YY
04 30 93

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

A. Initial FY 83 B. Quarter 3 C. Final FY 91

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

A. FUNDING SOURCE	FIRST FY <u>83</u>			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	6,000	150	6,150			50,000
(Grant)	(1,000)	(0)	(1,000)	(27,000)	(1,512)	(28,512)
(Loan)	(5,000)	(150)	(5,150)	(19,588)	(1,900)	(21,488)
Other U.S.						
1.						
2.						
Host Country	-	2,055	2,055		16,700	16,700
Other Donor(s)						
TOTALS	6,000	2,055	8,205	46,588	21,112	66,700

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	660	700	2,212	18,288	9,500		11,712	18,288
(2) ARDN	601	660	700	917	3,200	11,500		16,800	3,200
(3)									
(4)									
TOTALS				3,129	21,488	21,000	-	28,512	21,488

10. SECONDARY TECHNICAL CODES (maximum 5 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

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

A. Code	DEL						
B. Amount	1,250						

13. PROJECT PURPOSE (maximum 480 characters)

To finance training in the U.S. at the graduate level or short-courses in critical areas; to help establish a new capability within the GOI to plan and administer overseas training programs for its citizens; to make available experts of various types to conduct training-related studies, to help with the design of training courses, to carry out assessments of training programs in Indonesia; to develop an ELT capability; and to implement an effective follow-up program for returned participants.

14. SCHEDULED EVALUATIONS

Interim MM YY 01 88 Final MM YY 12 92

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

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

The amendment will extend the PACD for 1 year and provide additional funds for participant training as a means for satisfying the most critical needs for high level manpower; to provide assistance in the development of an indigenous national overseas training office; to relieve constraints to meaningful overseas training and to examine systematically training issues of national importance through research.

17. APPROVED BY

Signature [Signature]
Title Mission Director, USAID/I
Date Signed MM DD YY 01 73 10 88

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

MM DD YY

PROJECT AUTHORIZATION AMENDMENT NO. 3

INDONESIA

GENERAL PARTICIPANT TRAINING II
PROJECT NO. 497-0328

1. Pursuant to Sections 103 and 105 of the Foreign Assistance Act of 1961, as amended, the General Participant Training II Project for Indonesia was authorized on May 5, 1983. That Authorization was amended on September 18, 1984 and on May 24, 1986. That Authorization is hereby further amended as follows:

Paragraph 1 is amended to authorize planned obligations of not to exceed \$21,488,000 in Loan funds and \$28,512,000 in Grant funds. The additional funding provided herein is authorized for obligation through September 30, 1991 subject to the availability of funds in accordance with the A.I.D. OYB/allotment process. The Project Assistance Completion Date is extended to April 30, 1993.

2. The amended authorization cited above remains in force except as hereby amended.

Signature



David N. Merrill

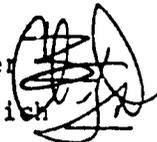
Director,

USAID/Indonesia

7/30/88



Drafted: PPS:MBonner:pl:bhs:07/22/88

Clearances: EHR:CBonner 
FIN:TDiedrich
A/DD:EVoulgaropoulos 

Reference: State 166040 dtd 24 May 1988

CONTENTS

	<u>Page</u>
Project Data Sheet	
Project Authorization Amendment	
I. Project Rationale and Description	1
A. Purpose of Project and Amendment #3	1
1. Background	1
2. The Problems to Be Addressed	2
3. Amendment #3	3
B. Relevance to CDSS	3
C. Objectives	5
1. Objective 1: Participant Training	6
a. Training Strategy	6
b. Description of Training for Special Concerns ...	11
2. Objective 2: OTO/NSCOT Institutionalization	17
a. Background	17
b. Legal Creation of OTO	18
c. OTO Working Groups	18
d. OTO Staffing	19
e. Marketing OTO Service	19
f. USAID Assistance to Institutionalization	20
3. Objective 3: Relieving Constraints	20
a. English Language Training (ELT)	21
b. Pre-Departure Orientation (COPE)	21
c. Monitoring	21
d. Follow-up	22
e. Training Plans	22

4. Objective 4: Research on Training Issues	23
D. Other Donor Assistance	25
II. Cost Estimates and Financial Plan	28
III. Implementation Plan	31
A. Schedule of Required Actions	31
B. Contracting Procedures	34
IV. Monitoring and Evaluation Plan	36
V. Conditions Precedent and Covenants	38

Annexes

- A. Concept Paper: General Participant Training II -
 Amendment #3
- B. State Cable 166040: General Participant Training-II Project
 (497-0328) Amendment (Approval)
- C. Mission Response to Concerns in AID/W Approval Cable
- D. Project Design Summary: Logical Framework
- E. B/G Request for Assistance
- F. Budgetary Analysis
- G. Statutory Checklist

I. PROJECT RATIONALE AND DESCRIPTION

A. PURPOSE OF PROJECT AND AMENDMENT #3

1. Background

The General Participant Training II Project (GPT-II), originally approved in 1983, is intended principally to provide funds for overseas long- (graduate level) and short-term training for Indonesian government and non-government employees in fields related to the country's priority development needs. Under GPT-II support, 785 Indonesians will have been funded from the original \$29 million funded through Amendment #2.

In addition, the project provides resources for the development of a national Overseas Training Office (OTO) whose purpose is to provide participant placement and management services, on a request basis, to government and non-government agencies, and to the various locally represented donor organizations which support overseas training in their assistance programs. OTO is governed by an inter-ministerial National Steering Committee for Overseas Training (NSCOT), which advises the Government of Indonesia (GOI) on training policy, approves training plans, directs the OTO to undertake research on manpower development and participant training issues, and manages the overall overseas training program.

The OTO and NSCOT have shown significant growth in carrying out their respective responsibilities. The capacity of OTO to identify systematically a pool of candidates for overseas training using an objective selection process has been demonstrated many times over. In fact, growth in this area has been so rapid that OTO has exhausted its resources for overseas scholarships (GPT-II provided as well as others) while viable candidates are steadily queuing for places.

2. The Problems to Be Addressed

USAID/Indonesia, through GPT-II, has been the primary supporter of OTO and NSCOT, and has a responsibility to ensure these bodies grow as useful organizations that serve their various clients effectively and efficiently. This responsibility is also a direct implication of the Mission's 1989-93 Country Development Strategy Statement (CDSS), which identifies high-level manpower development as an explicit objective.

In the eyes of the donor community, a major problem has been the slow development of the self-sustaining capacity of OTO to place and manage participants without the in-country assistance of MUCIA, the present long-term GPT-II contractor. With MUCIA's assistance, OTO has supported the participant needs of one World Bank project, relatively minor Dutch training activities, and is about to participate in a \$14 million Canadian training project. However, in the Mission's judgment, these activities are not sufficient to put OTO within the credibility envelope, particularly once MUCIA departs. The March 1988 external evaluation of GPT-II states: "USAID needs to address its future general training and OTO strategy from both a short and long term perspective. This dual need has been caused by the recently discovered shortfall in remaining GPT-II funds, which, if not ameliorated, will bring about a premature halt to project activity USAID should continue funding GPT-II until the end of the project ... (at) a level of funds sufficient to cover the direct and support costs of at least 100 new academic and 50 or more short-term participants a year ..."

Without more experience, OTO will not be able to attract the critically needed overseas training resources donors can provide to Indonesia. The World Bank has expressed interest in meeting some of the pent-up supply of overseas candidates, but wants OTO to prove itself first as an effective participant management agency. Australia and New Zealand have expressed similar interest and are on the verge of committing some

resources. Thus, the Mission stands at a critical juncture with an opportunity for timely assistance to OTO which can leverage other donor funds to a significant degree.

Also, of the 785 Indonesian trainees who have been funded under GPT-II to date, 252 have already returned from short-term programs, 103 have attained Masters degrees and 27 have PhDs. The short-term, Masters and PhD participants now in training number respectively 10, 198 and 68, while those currently in the process of being placed are 0, 114 and 13. Although obligated GPT-II funds are currently only 80% committed and 42% disbursed, when each of the "in-training," "waiting placement," and remaining "set-aside" (NGO and university staff) programs are costed out to completion, the project training budget will be fully programmed.

3. Amendment #3

This Amendment proposes to increase the Life of Project AID funding for GPT-II by \$21.0 million to \$50.0 million (\$28.5 million grant and \$21.5 million loan) and to extend the project by one year to April 30, 1993. These additional funds (all of which are grant) and extended time will allow approximately 261 more long-term and 395 more short-term participants to be trained. New participant training will be divided into two components: \$9 million for AID special concerns and \$12 million for concerns related to the 1989-93 CDSS.

Additional funding for direct OTO institutional support is not needed, since this need is adequately covered under the existing budget. However, the extension of the PACD, as explained below, will allow the OTO to develop more fully.

B. RELEVANCE TO CDSS

In approving fields of study for participants, the Amendment's emphasis, as described in USAID's CDSS and consistent with GOI current development priorities, will be on strengthening programs critical to

Indonesia's development within an overall framework of increasing employment and incomes. Other fields of study targeted under this Amendment may also include those explicitly related to employment generation constraints/opportunities, or to promoting decentralized democratic institutions.

This Amendment's support for additional training serves subgoals 1 and 3 of the overall CDSS goal of employment generation and sustainable income, although it primarily focuses on subgoal number 3:

- Subgoal 3: to achieve an efficient, high quality human resources development system which effectively links system outputs to market requirements; and
- Subgoal 1: to support a more open, less regulated market and trade oriented economy. (The training support provided to the private sector will contribute to this subgoal.)

Amendment No. 3 resources will be channeled through OTO to address the most critical current and projected deficiencies in Indonesia's high-level trained manpower through overseas training that:

- emphasizes policy analysis, agriculture, natural resources management, science and technology, engineering, public health and business education; and
- increases private/independent sector involvement (NGOs and the private for-profit sector)

The short-term training opportunities that will be available to NGOs and the private sector will also contribute directly to another CDSS concern, institutional pluralism. By broadening and strengthening the human resource base in NGOs and small to medium for-profit private sector firms, training under Amendment 3 will contribute to the establishment of

an institutional setting that is conducive to the creation of new non-government organizations and a greater voice for existing NGOs in development activities, and to the development of democratic institutions.

When proposed fields of study are not directly relevant to the CDSS, OTO should submit such applications to USAID, along with appropriate justification, for joint review and approval before the candidates are accepted as GPT-II participants.

Last, the CDSS also calls for reducing staff intensity. This USAID management objective will be fulfilled in part (and in fact has already started) as a developing OTO assumes more and more of the Mission's participant processing and monitoring activities.

C. OBJECTIVES

The purposes of the GPT-II Project, as stated in the original Project Paper, are "to finance training in the United States at the graduate level or in short-courses in critical areas; to help establish a new capability within the Government of Indonesia to plan and administer overseas training programs for its citizens; to make available experts of various types to conduct training-related studies, to help with the design of training courses, to carry out assessments of training programs in Indonesia; to develop an English language training capability; and to implement an effective follow-up program for returned participants."

These purposes are operationalized in the following four objectives:

- 1) to provide additional funds for participant training as a means for satisfying the most critical needs for high level manpower;
- 2) to provide assistance to the development of an indigenous national overseas training office;
- 3) to relieve constraints to meaningful overseas training (focusing on pre-departure English language training; objective selection of candidates;

cross cultural aspects of overseas training, from orientation to after-care; and manpower training plans); and 4) to examine systematically training issues of national importance through research.

As stated earlier, this amendment will provide funds directly related to objective 1. In the process, these funds will buy time for progress to continue on the other three objectives. The current status of efforts under these objectives is described in the sections below.

1. Objective 1: Participant Training

a. Training Strategy

Under this Amendment, AID funding for participant training will be divided into two components. They are (1) those to be fully programmed by OTO in fields of study which generally fall under the CDSS areas described in Part IB (cost: \$12.0 million) and (2) special concerns of AID (cost: \$9.0 million). In programming these participants, USAID and OTO will work together to ensure sufficient flexibility to enable specific AID concerns to be addressed while at the same time maintaining the integrity of the OTO system, thus strengthening OTO's institutional capacity.

General CDSS-Related Training. To attract more financial assistance from other donors, OTO has developed the concept of a participant pool of candidates for overseas training at the graduate level. Before entering the pool, candidates are nominated by government ministries and agencies, and are then selected on the basis of academic potential test results. For donors from non-English speaking countries, participants may be selected prior to starting English language training. Donors from English speaking countries may select English speaking participants at any time during English language training or after its completion.

OTO has been very successful over the past few years in building up a pool of viable candidates, and GPT II has made extensive use of this pool for its supply of participants. It is a principal intention of Amendment 3 to continue to fund new GPT II participants from the OTO pool, but under the provision that each pursue a field of study consistent with the overall goal, the sub-goals and the objectives of the Mission's recently approved CDSS. In addition to the selection of pooled candidates for long-term training, OTO will also use Amendment 3 funds to support short-term technical training, again in areas related to CDSS goals and objectives.

At present, 168 participants are in the OTO pool. These candidates are already in English training or have TOEFL scores above 525 and should be placed in Mid-1989. Another 297 candidates have been identified and will soon enter English preparatory classes; they will be ready for placement in mid-1990. These two waves of candidates represent the pool from which the Mission will select its CDSS-related participants under Amendment #3.

Amendment #3 funds will be used for 105 of these, leaving 63 in the pool for other sources of financing. Some of the 63 may meet the criteria of AID's special concerns and, with prior AID approval, be financed out of the \$9 million portion of Amendment #3 funds. The others will be made available to other donors (see Table 1).

TABLE 1

THE OTO POOL AND PARTICIPANTS FOR THE CDSS COMPONENT

1989 Admissions

28 - over 525 TOEFL - Oct. '87 TPA
19 - over 525 TOEFL - Mar. '88 TPA
121 - July '88 EAP-2

168 Total

105 financed from Amendment 3 funds

63 Pool available to other sources of financing

Other Sources

17? USAID - Special Concerns Fund (e.g., environment, private universities)

? Canada
? NZ
? Australia
? ASEAN Commonwealth
? Japan
? France

63 Total

1990 Admissions

58 Oct. '87 TPA Jan. 89 BELT; April 89 EAP-1; July 89 EAP-2
61 Oct. '87 TPA April 89 EAP-1; July 89 EAP-2
63 Mar. '88 TPA Jan. 89 BELT; April 89 EAP-1; July 89 EAP-2
62 Mar. '88 TPA April 89 EAP-1; July 89 EAP-2
53 Mar. '88 TPA July 89 EAP-2

297

60 financed from Amendment 3 funds

237 Pool available to other sources of financing

Other Sources

? USAID (Special Concerns Fund)
? Canada
? NZ
? Australia
? ASEAN and Commonwealth
? Japan
? France

237 total

Special Concerns. There are several categories of programming in this area.

First, funds will be used to support the training needs of private sector personnel, including NGOs, private universities, and private for-profit enterprises.

Second, the Amendment will support participants who are unable to be funded as anticipated under other USAID projects due to factors such as project completion or project reorientation.

Third, there are sectoral areas which USAID has strong interests in supporting through overseas training, such as environment and natural resource conservation.

Fourth, USAID will support training in important, but still to be determined, areas such as women in development. In addition, research will be conducted to improve the role of female participation in training (see Section C.4).

Table 2 provides an illustrative breakdown of the estimated order of magnitude for training under the special concerns component.

TABLE 2
PARTICIPANTS FOR THE SPECIAL CONCERNS COMPONENT

	<u>Person Months</u> *		
	<u>Short term</u>	<u>MA</u>	<u>PhD</u>
Private Sector	'	'	'
- For-Profit Private Sector	' 150	' 382	'
- Private Universities	'	' 510	' 227
- NGOs	' 160	' 255	'
Ongoing Projects with Training Requirements	'	' 742	' 342
Natural Resources Management/ Environment	' 80	' 127	' 227
Other Areas To Be Determined (e.g., Women in Development)	' 80	' 127	'
	'	'	'
Total	' 470	' 2143	' 796

* Calculated at 25.5 person months for an MA, 45.5 for a PhD and 2 for each short-term trainee.

These special concerns can be accommodated within the OTO system through the following arrangements.

OTO will pick up the handling of participants already in training under other AID projects with the exception of those currently under the OIT/Partners contract. These will be maintained by Partners.

New start degree participants generally will follow the OTO system (TPA, ELT, etc.) but where either the sending ministry and/or USAID

request special handling, NSCOT/OTO will be flexible in its response. For example, if timing is a factor, then OTO may schedule the testing program for overseas academic training (TPA) outside the normal examination schedule. Also, if training is required for certain individuals falling under AID's special concerns, other factors besides their TPA scores (such as academic transcripts, their previous experience and past performance) will be taken into account. Complete organizational training plans will not be required for these participants, although a rationale will be provided by the sending organization explaining the relevance of the training to the needs of the organization.

For the private for-profit sector, an OTO Working Group will be established with representation from OTO and USAID. This group will set the ground rules for working with the private sector, including determining its appropriate representation Financial assistance arrangements (a cost sharing basis is anticipated), and means of disseminating information on the project to reach the maximum number of private sector enterprise. The Working Group will then conduct meetings with private sector representatives to establish the mechanism for implementing the assistance, e.g., initiating the establishment of a private sector Steering Committee and Working Group which would prepare training plans and recruit candidates for overseas training. When its activities are established, the OTO Working Group can become an OTO committee which will have regular meetings to develop the training programs with the private sector Steering Committee/Working Group.

b. Description of Training for Special Concerns

- Private Sector

Private for-Profit Sector. For this sector, training will be provided in five general areas, although other areas will be considered if they are in accord with the thrust of the Mission's program.

1. Agro-processing -- USAID envisions sending private sector technicians and engineers to the U.S. for short-term training in food processing and packaging, aquaculture (shrimp), and handling and marketing. These will predominantly be ongoing sponsored programs such as the Agribusiness Roundtable, Project Sustain and AID sponsored conferences.

2. Commercial law -- Rationalization and enforcement of the Uniform Commercial Code in Indonesia is of paramount importance for commercial and financial development. Areas of most concern are contract law, patent and intellectual property rights, production sharing, franchise and joint venture laws, and investment law. By 1990, we propose to send private sector and/or GOI lawyers to the U.S. for advanced degree work related to these topics as well as for relevant courses/seminars primarily conducted by IDLI in Rome, ILI in Washington, D.C., U.S. Customs, the ABA or other appropriate organizations.

3. Industry/Manufacturing -- As non-oil exports become increasingly important in the Indonesian economy we are seeing increased interest in attendance at manufacturing/industrial processing conferences, seminars and workshops. The project will help finance attendance at these.

4. Business -- As part of AID's continuing support for private business education institutions, we propose to offer MBA-level degree programs by 1990 to staff of private institutes of business education, as jointly agreed upon.

5. Trade promotion -- Trade is becoming a major new thrust of the USAID program. We recommend programming short-term training for both GOI and private sector participants to participate in industry-specific trade promotion activities in the U.S.

To satisfy the above requirements during the period of this Amendment, USAID proposes to finance approximately 15 persons for MBAs, 75 for short-term training and 8 in-country seminars.

Private Universities. The GOI considers the expansion and improvement of private universities essential, both to meet the increased unmet demand for university education and to produce qualified high-level manpower. Accordingly, OTO plans to increase the number of participants selected for U.S. study from the faculties of the private universities. It is currently estimated that 20 participants will be programmed for MA degrees and 5 for PhDs under this Amendment.

Non-Government Organizations (NGOs). Through the mechanism of an NGO Working Group, NGOs are involved in the planning and selection of long-term and short-term NGO participants under GPT II. Three short-term program packages are now being tested and refined. One is for attendance at available, short packaged courses. A second designs tailor-made programs and may include follow up in Indonesia. The third involves internship training within the Asian region. For the latter, OTO is currently negotiating technical assistance from the Asia Foundation which has field offices in each of the receiving countries that can monitor the Indonesian participants.

OTO is hopeful that the number of NGOs selected for study will increase during the period of this Amendment. It should be noted that most NGOs use their limited funds and staff for programmatic purposes and are severely constrained on the administrative side to assist in the evaluation and selection of candidates, design of specific programs to meet the candidates' special needs, and follow up and refinement of their program. This same situation applies to other groups of importance to USAID such as women and the private for-profit sector -- especially in terms of designing short-term training opportunities, including in-country training. Therefore, stimulating an increase in NGO participation may continue to require consultant assistance and the appointment of a Secretariat to the NGO Working Group. The composition and financing of the Secretariat will be determined by the Working Group in consultation with OTO and USAID. Similarly, this group will also determine financial responsibility for such required pre-departure costs as English language training. The Mission

will consider financing ELT on a cost sharing basis with the NGOs. It is estimated that 10 MA and 80 short-term participants, and 8 in-country seminars will be funded under this component.

Even though most NGO participants will be short term, they will still be required to demonstrate sufficient English language competence to enable them to benefit from training. Where necessary, OTO will provide ELT, in accordance with their standard procedures and policies, to enable candidates to qualify. In the long view an investment in English language training for these participants will not only serve to meet language requirements for training but will also be of value to them and their organizations upon their return home.

- Participant Carry-Overs from Other Projects

The principal purpose of this category is to provide the support necessary to participants who have started their training under another USAID project, but whose funding must be curtailed prior to program completion due to the termination of the project or to a budgetary shortfall. Included in this category are approximately 20 participants who were selected for long-term training under the Fisheries Research and Development Project, but who could not enter their programs due to a subsequent scaling back of project scope and funding. Under this category it is estimated that Amendment 3 funds will provide for 1084 person months of training.

- Natural Resources and Environmental Training

The purpose of this training will be to strengthen the capability of the Indonesian government and non-governmental organizations to develop policies and programs in natural resources management. This training will be provided to candidates at both the central and provincial levels.

Table 3 and the following summary describe the basic elements of this training plan. It will be the responsibility of the GOI, supported by USAID's environmental staff, to prepare detailed training proposals and identify candidates. Such candidates will be processed in conformance with the usual NSCOT/OTO system, taking into account the flexibility needed for the special concerns of USAID.

The training provided in this area would include approximately 5 PhDs, 5 Masters degrees, and approximately 80 person months of short-term training. The training would be provided to officials from the Ministries of Forestry, Agriculture, Population and Environment, the Environmental Study Centers (Education), Finance, Public Works, Home Affairs, and BAPPENAS as well as representatives from the environmental NGO community. Long-term training areas would include forest economics, forest management, ecology, environmental sciences, environmental education, and public administration. The short-term training would emphasize environmental procedures and regulations at the national and local levels, environmental planning and management, natural resource management, forest conservation, biological diversity conservation, regional development, park management, environmental impact assessment, marine/coastal management, industrial pollution, and administration.

The total cost of this component is estimated to be approximately \$1 million dollars over the remaining years in the project.

Other Areas (To Be Determined)

A limited amount of Amendment 3 funds have also been budgeted to fund participants in other, as yet unidentified areas which are of particular interest to AID. The CDSS will serve as the guide to the selection of candidates under this grouping. Beyond this, however, the type of training is left unspecified at this time, with the exception of areas related to Women in Development, to which the Mission feels especially committed.

TABLE 3

NATURAL RESOURCES AND ENVIRONMENTAL TRAINING

	<u>Agencies</u>	<u>Fields*</u>
Long term	Forestry	Forest Economics
	Agriculture	Forest Management
	Population and Environment/ Education (PSLS)	Nature Reserve Management
	BAPPENAS/Finance	Natural Resources Management
	NGO	Ecology
	Home Affairs	Public Administration
		Resource Economics
Short term	Forestry	Environmental Education
	Agriculture	Environmental Procedures
	Population and Environment/ Education (PSLS)	Environmental Planning and Natural Resources Management
	BAPPENAS	Forest Conservation
	Finance	Biological Diversity
		Regional Development
		Park Management and Administration
	Public Works	Industrial Pollution
	Home Affairs	Marine/Coastal Resources Management
		Environmental Impact Assessments

* Fields are representative of the types of degrees and do not directly match with agencies; neither the fields nor the agencies listed are all inclusive.

2. Objective 2: OTO/NSCOT Institutionalization

Since Amendment No. 2 to GPT-II has been implemented, and even since the Project's March 1988 evaluation, a number of significant steps have been or are being taken to strengthen the administration of OTO and its potential institutional credibility and sustainability.

a. Background

OTO was established as the implementing arm of NSCOT to:

1. formulate national policies on overseas training;
2. communicate training needs and priorities to international and bilateral funding agencies;
3. assist GOI development agencies in defining overseas training objectives; and
4. implement overseas training programs.

To date OTO has developed and proposed a number of policies on overseas training for implementation by the GOI which are already in place or are in the process of being approved. These include policies on establishing standard allowances and age limitations, a selection testing program (TPA) for all overseas academic training, and an English language training program to be used as a model by all ministries.

OTO's collaboration with bilateral and multilateral donors on GOI training needs can be noted by the volume of donor assistance and increase in the numbers of donors providing overseas training grants (see Section I.D).

Assistance to GOI agencies derives from OTO's work with them on training plans and its development and utilization of systems to select, process, place, monitor and follow up participants. These systems have resulted in OTO's effective implementation of overseas programs.

b. Legal Creation of OTO

Until now OTO has been operating under a directive issued by the Minister of Administrative Reform, located in BAPPENAS (the state planning agency). Until recently, the OTO Director was also the Deputy Chairman for Administration of BAPPENAS. The current Director of OTO has just been promoted to the rank of Junior Minister/Cabinet Secretary responsible for Foreign Technical Assistance. It is anticipated that the new Director of OTO will concurrently serve as the Secretary of NSCOT.

A draft decree is under final consideration and is expected to be issued in the Summer of 1988, establishing OTO as a legal GOI entity under BAPPENAS with its own budget and permanent staff. This will formalize the arrangement already in place whereby the Bureau of Education and Training Administration in BAPPENAS functions as the Secretariat of OTO and the person who heads this office is Head of the Administration and Finance Division of OTO. These actions will serve to strengthen the self-sustaining capability of OTO within the GOI and with donors.

c. OTO Working Groups

OTO has established working groups to develop new systems or procedures. Typically, these would be composed of OTO staff, an overseas consultant and Indonesian experts from outside OTO. Once systems become operational, the working group dissolves and if necessary, an internal committee is formed within one of OTO's operating divisions to assist in implementation. Initial working groups in such areas as ELT and pre-departure orientation have now been formalized within OTO. More recently, a working group has been established on NGOs (with NGO participation), and a similar working group will soon be formed on the private for-profit sector.

d. OTO Staffing

The OTO staff has increased from 8 persons in July 1987 to 27 in June 1988, including an increase from 16 to 27 since the GPT-II March 1988 evaluation. The staff is now considered adequate to cover all functions and services.

To support training in the United States, OTO has placed two staffers in the U.S. with the current GPT-II contractor; they will assist with placement and making financial arrangements for participants. Sometime toward the end of 1989, after the existing contract terminates and a new one is in effect, OTO plans to replace these two staffers and eventually to add a third, senior person. OTO has a staff development program which includes English language and computer training in Indonesia and advanced training in the United States.

OTO can supplement its staff capabilities on an as needed basis with the GPT-II provided assistance of short-term outside consultants and by entering into local contracts such as it has already done in the case of English language training. As a guiding principle, however, OTO believes it will not be able to improve systems continually and offer sound policy advice to NSCOT unless it remains closely involved operationally.

USAID is planning to move some of its Training Office functions to OTO prior to this Amendment's PACD. This will not only serve to strengthen OTO's capabilities but will also reduce USAID staffing and direct Mission involvement in general training.

e. Marketing OTO Services

With its staff, organization and systems in place, and its imminent designation as a legal GOI entity, OTO is ready to "market" its services more actively to GOI agencies, NGOs, the private sector and, of course,

to donors. Also in this connection, it is anticipated that donors will increasingly "buy in" to all or some of OTO's services; e.g., the World Bank is currently considering using OTO to implement a re-entry system for its returned participants. In order to "market" its services effectively, one of the tasks of the OTO will be to determine ways to advertise OTO's capabilities and services. In late July 1988 the OTO will organize a 3-day workshop, which will be attended by representatives from OTO's support offices as well as from various associated organizations in Jakarta. Among the outcomes of this workshop will be an English language brochure to assist in marketing OTO services to donor organizations and an Indonesian language brochure to market its services to the various governmental and private sector organizations in Indonesia. OTO plans to prepare and distribute a brochure on its activities before the end of calendar year 1988. As mentioned elsewhere, OTO is also actively engaged in discussions with both Indonesian entities and other donors regarding its services.

f. USAID Assistance to Institutionalization

Besides providing funds under this Amendment to maintain the flow of participants, AID funds from Amendment 2 will continue to be used for short-term consultancies to assist OTO to strengthen its institutional capacity. There is also provision under the support contract funded under Amendment 3 to add additional contractor/consultant services through "buy ins."

3. Objective 3: Relieving Constraints

The following sections discuss the achievements of and future challenges to various components of OTO's processing system. Components not covered here are fully described in Amendment 2. These are being adequately handled and are not necessarily undergoing any revisions.

a. English Language Training (ELT)

This program is generally proceeding smoothly. OTO intends to achieve greater outreach by expanding the number of ELT centers, particularly in the eastern islands. The Canadians, through CIDA, are considering assisting in this effort.

Under GPT-II up to six months of ELT for short-term, non-degree participants is provided. OTO takes the position, supported by USAID, that ELT not only serves to enable short-term participants to go overseas for training but also, upon their return to Indonesia, enables them to use their English language competence on their jobs over their entire careers. OTO will continue to seek innovative ways to handle ELT for short termers. For example, wherever possible, a strong English speaker will be teamed with a weaker one during U.S. training. Also, group training will be designed when feasible.

During February to May 1988 the OTO organized the first program for upgrading the academic skills of all participants. This has now been integrated with the advanced ELT program, EAP-II, extending it from 6 months to 8 months.

b. Pre-Departure Orientation

OTO continues to focus its orientation program on cultural and educational differences between the American and Indonesian higher education systems. The more immediate concerns of participants are covered by the use of a booklet from USAID on practical needs and through an orientation program conducted by USIS.

c. Monitoring

OTO continues to tighten its monitoring system. Participants requesting extensions beyond their planned completion date will require strong justification and will be considered carefully on a case-by-case basis.

Similarly, only on a case-by-case and exceptional basis will any participants be permitted to continue training for a second, consecutive degree. Consideration of successive degrees will follow Handbook 10 Guidelines, and will require USAID Mission Director approval prior to the start of the follow-on program.

d. Follow-Up

An impact evaluation that is in process is expected to point out ways to strengthen and direct the participant training program. Additionally, OTO has developed a plan for follow-up which includes meetings with returned participants and distributing questionnaires to them. These will lead to the development of a more formal re-entry program. OTO staff have been designated to work on this activity and the World Bank is exploring "buying in" to it. For statistical purposes, OTO already operates a computerized participant tracking (PDMS) system which will support this effort.

e. Training Plans

To date OTO has held three workshops for ministries on developing training plans that reflect institutional needs and relate the training and reentry of participants to the upgrading of appropriate positions and strengthening of organizational functions. A fourth workshop, focused on provincial government institutions, is in the planning stage. OTO has invited 27 ministries and a number of NGOs both to attend these workshops and to submit training plans. It is currently evaluating the plans with a view towards refining both the workshops and the plans.

OTO has found that training plans are most relevant when they are tied to project-specific activities. They are less effective when a ministry is proposing persons for general participant training because the plan has to address institutional rather than project needs. An institutional needs assessment must be based on an inventory of staff requirements (both

upgrading of existing staff and additional staff needs) which, in turn, should flow from a broad human resource needs assessment linked to the GOI's Five Year Plan for the ministry. Yet the latter is the responsibility of other agencies, particularly the Ministry of Manpower and BAPPENAS, whereas OTO is concerned with only the overseas training component of manpower planning. Basically, OTO has a catalytic role in that it can provide guidance and support services to ministries on their overseas training requirements.

4. Objective 4: Research on Training Issues

During this Amendment research will be continued on all aspects of overseas training, including (1) refining models already developed, e.g., ELT, COPE, etc., (2) developing new models for returned participants' re-entry programs, (3) in-country training opportunities, including in-country dissertation research for U.S. degree candidates, (4) specialized short courses for women, participants from NGOs and the private for-profit sector, and (5) development of training plans in the context of institutional planning. For dissertation research conducted in Indonesia, project training funds will be used, within established allowance rates and GPT-II cost-sharing (AID and GOI) arrangements, to meet research costs, subsistence allowances when research is conducted away from the participant's Indonesian residence, and international travel. By encouraging participants to undertake their research in-country, OTO hopes to be able to study its benefits and costs, so as to develop a national policy on the issue.

Another area for research concerns increasing the involvement of women. The percentage of women participating in GPT-II to date has reached only 9% against an original target of 25%. Under this Amendment it is expected that OTO will make an increased effort to reach the 25% target for women under the \$12 million CDSS-related program and, working closely with USAID, will try out new ideas and arrangements under the \$9 million to be used for special concerns. One formula that should be pursued is the funding of income related training for spouses who have accompanied or joined the

participant at the family's expense. This has been tried successfully under the Western Universities Agricultural Education Project. This training would usually be short term and non degree and will include husbands who accompany their wives on the grounds that this will make it easier for women to accept overseas training opportunities. Innovative programs must be vigorously pursued and this should include special pre-departure orientation by OTO as part of its program.

There are other avenues to pursue in promoting training for women. It is believed that information on overseas training opportunities does not always filter down below the national level and hence limits the field of potential women candidates. (Note: This may be equally true for NGOs.) The project will experiment with sending notices of short-term training opportunities directly to appropriate branch offices of women's organizations throughout Indonesia at the same time notices are sent to central headquarters. For example, it is believed that notices sent to KOWANI at the local level would result in the identification of qualified women with high enough ALIGU scores to participate in short-term training in the U.S. With regard to long-term academic training, it is suggested that consideration be given to women who have just graduated from universities who are at the top of their class. It is felt that upon their return to Indonesia, even if government and public university positions are not available, the private universities would be delighted to acquire their services. This segment of the female population will be reached by direct advertising in the newspapers rather than through formal, bureaucratic channels. This amendment will attempt to increase female participation through examining and implementing alternative programs such as those described above. To realize an increase in women's participation may require consultant services.

A study will be undertaken by OTO of ways to increase the placement of Indonesian participants in Historically Black Colleges and Universities where requested fields of study match the strengths of these institutions.

This will include options for attendance at summer courses in conjunction with degree programs at other institutions, group training, and other tailor made courses for short-term participants in addition to regular, long-term degree programs.

Finally, mechanisms to facilitate "buy-ins" from donors or fees for OTO services must also be examined. This may be crucial to OTO's ultimate viability.

Contingency funds in this Amendment may be used for the above purposes.

I OTHER DONOR ASSISTANCE

From OTO's inception, the active participation of other donors who ultimately will be contributors to and users of OTO's services has been sought. That participation is steadily increasing. Representatives of nearly every donor agency concerned with participant training participate in periodic meetings of the OTO working groups. As a result of these task-oriented meetings, donors have actively intergrated their assistance in developing the OTO (e.g., British funding of a 3 month ELT consultant, Canadian funding of a 3-5 month consultant to review cross-cultural orientation, and Ford Foundation funding of 2 month-long consultants to review pre-departure subject matter training needs) and the use on a special fee basis of their facilities for English language courses (the British Council, the Australian Language Center).

In July 1988 CIDA and OTO began making active preparations to implement CIDA's \$14 million, 5 year general training project. Four Canadian staff will work with OTO to develop the support system for the trainees going to Canada. The OTO expects that as each donor establishes its training support programs, there will a need to vary the support process for participants going to each country. The OTO will still manage the trainees' selection and preparation according to the criteria developed in the course of OTO-USAID cooperation on GPT-II.

Donors are working together to ensure that their roles in strengthening ELT institutions are complementary. OTO's connection with UNSRI in Palembang began as the result of the USAID funded Western Universities' Agricultural Education Project (WUAE). Also, an Asian Development Bank Loan has provided funds for the development of UNSRI, including a large new overseas training component and TA assistance to the ELT center. A British volunteer works in the language center alongside the WUAE project staff. WUAE is also providing ELT assistance to the other institutions of the consortium of Western Indonesian Universities.

British support is also being provided to the University of Hasanuddin at Ujung Pandang (UNHAS) via two full-time ELT specialists. This support will continue along with on-going British Council sponsored ELT seminars at UNHAS and the services of an additional British volunteer. The British Council also plans to provide ELT support to certain universities on Java by placing an ELT specialist in each.

The Canadians plan to provide ELT technical assistance and institutional development support to Eastern Island universities, perhaps in Denpasar or Ambon. They have already hired an ELT consultant who has provided the donors with two reports on the status of existing ELT programs in Jakarta and off Java. The Australians currently support ELT capability through their Language Center and with in-service training to five government departments' ELT training units. They also provide ELT professors at selected Indonesian universities. Finally, New Zealand provides five scholarships a year for ELT teacher training and has agreed to coordinate this work with the OTO.

In addition to these on-going efforts, donors have begun to explore considerably expanded involvement with OTO. Table 4 illustrates the magnitude of confirmed and planned support at this time.

TABLE 4

OTO PARTICIPANT SUPPORT: PLANNED DEVELOPMENT OF THE POOL CONCEPT

<u>Country</u>	<u>Amount</u> (\$)	<u>Duration</u>	<u>Type of</u> <u>Training</u>	<u>Type of</u> <u>Assistance</u>
		<u>Ongoing</u>		
U.S.A.	29,000,000	1984 - 1992	ST, MS, PhD	Grant/Loan
U.S.A.	21,000,000	1988 - 1993	ST, MS, PhD	Grant
Canada	14,000,000	1986 - 1993	MS	
Netherlands	(150 people)	1986 - 1991	Undergraduate	Grant
World Bank	3,000,000	1987 - 1989	ST, MS, PhD	
New Zealand	300,000	1987 - 1989	MS	
		<u>Projected/In Discussion</u>		
ASEAN	15,000,000	1988 - 1995	MS, PhD	
Australia	2,000,000	1988 - 1992	MS	
New Zealand	1,000,000	1988 - 1992	MS	
World Bank	50,000,000	1990 - 1996	ST, MS, PhD	
Netherlands	(up to 120 people)	1988 - 1992	undergraduate	

The feasibility study for the projected World Bank support is currently underway. Japan is also considering training programs but no details are available at this time.

Clearly, the USAID effort, through GPT-II and with this Amendment, to support OTO and NSCOT has created opportunities for a more organized and efficient training process. This assistance is thus beginning to leverage wide-spread other donor interest with considerable assistance potential. This Amendment will further enable OTO to manage the projected increased input.

II. COST ESTIMATES AND FINANCIAL PLAN

This Amendment adds a total of \$28.0 million to the GPT-II Project, consisting of an AID grant of \$21.0 million and a GOI counterpart contribution of \$7.0 million. This will bring the total life of project cost to \$66.7 million, composed of a \$28.512 million grant, a \$21.488 million loan, and a \$16.7 million GOI counterpart contribution. Cost sharing between the U.S. and the GOI will remain relatively the same as at present with the exception that the GOI will now assume additional international travel costs due to the introduction of direct national carrier flights between Jakarta and Los Angeles.

No funds in Amendment 3 will be utilized for OTO support. Existing funds (from the previously authorized \$29 million) contain about \$640,000 budgetted for OTO support, but not yet committed. OTO's current usage of these funds is at a rate of about \$150,000 per year. Thus, the \$640,000 should be sufficient to last through April, 1993.

The only technical assistance component funded under Amendment 3 is the maintenance of an OTO support office in the U.S. by a contractor. The contractor has not yet been identified, although proposals have been received. It is estimated that the contractor's fee for support services will be \$200 per participant per month.

The MUCIA contract has an excess of funds for short-term consultants. It is expected that about \$400,000 of these funds will be sufficient, until the PACD, for OTO to pay for any short-term technical assistance needed, and for the continuing services of two locally hired consultants in the areas of ELT and academic placement and counselling.

Table 5 provides a summary of cost estimates for the Amendment by project element and Table 6 presents a similar budget for the entire project. Annex F provides a more detailed analysis of the budget.

TABLE 5

PROJECT AMENDMENT NO. 3
\$21 MILLION INPUT SUMMARY

FINANCIAL PLAN IMPLEMENTATION METHOD	AID		GOI
	METHOD OF FINANCING	AMOUNT	AMOUNT
1. Participant Training* (Through PILs/PIOPs)	<u>USAID</u>		
32 PhDs		\$ 2,780,800	\$ 812,672
229 MAs		11,656,100	3,850,864
395 ST		3,555,000	970,515
Pick-ups		308,000	76,000
In-country Seminars		240,000	-
sub-totals	Direct Reim- bursement	\$18,539,900	\$ 5,710,051
2. OTO Support (Through PILs) Space rental, salaries, office equipment and supplies, communications and vehicle maintenance	Direct Reim- bursement	(a)	\$ 1,290,000
3. Technical Assistance (BC Contract) US OTO Support Office Contractor's Fees: 8239 m/m @\$200	Direct Payment	(b)	-
4. Evaluation Audit (BC Contract)	Direct Payment	(c)	-
5. Contingency (various)	Direct Payment/ or Reimbursement	812,300	-
Totals		\$21,000,000	\$ 7,000,051

Notes:

See Annex F, Tables 10 and 11 for a detailed breakdown of Amendment 3 costs by general CDSS categories (\$12 million) and AID special concerns (\$9 million).

- (a) Although no new funds for OTO support are added under Amendment 3, the funds for OTO support remaining from Amendment 2 are sufficient to last through April 1993.
- (b) About \$400,000 of short-term consultants funds will remain after the end of the MUCIA contract (June 1989). They will to be used for short-term and locally hired long-term consultants during the remainder of the Amendment 3 period.
- (c) Although no new funds for evaluations are added under Amendment 3, funds for evaluations remain from Amendment 2.

TABLE 6

PROJECT INPUT SUMMARY
(Figures in \$000)

<u>Activities</u>	<u>USAID</u>		<u>GOI</u>
	<u>Grant</u>	<u>Loan</u>	
1. Participant Training	22,552	18,991	12,861
2. OTO Support	-	1,000	3,839
3. Technical Assistance	4,473	-	
4. Project Evaluation/Audit	200	-	
5. Contingency/Inflation	1,287	1,497	-
Project total	<u>28,512</u>	<u>21,488</u>	<u>16,700</u>

III. IMPLEMENTATION PLAN

A. SCHEDULE OF REQUIRED ACTIONS

The following implementation schedule includes activities and participant flows expected under this Amendment through to the revised Project Assistance Completion Date. Although not specifically cited here, it may be desirable for USAID to provide a personal services contractor to assist OTO with the handling of special concerns of USAID (e.g., NGOs, natural resources, and women) to be addressed in this Amendment.

<u>Month</u>	<u>Activities</u>	<u>Responsibility</u>
<u>1988</u>		
July	Begin EAP-2 for 140 participants	GOI
July	PP Amendment 3 approval	USAID/GOI
July	Open OTO bank account in US	GOI/AID
July	Meeting in Jakarta of representatives from support offices and interested local groups to review OTO operating procedures	OTO
Aug	Amendment 3 funds partially obligated	AID/GOI
Aug	GOI decree on organization of OTO	GOI
Aug	Arrival of Canadian (CIDA) team and beginning of integration with OTO operations	GOI
Aug	Agreement with American International Group for participant health insurance, to replace HAC	GOI/MUCIA
Sept	Departure of last group of participants under Amendment 2	GOI
Sept	Donors' meeting to discuss pool of available participants	GOI
Sept	Selection of first short-term training participants under Amendment 3	GOI/AID
Oct	TPA administered	GOI

<u>Month</u>	<u>Activities</u>	<u>Responsibility</u>
<u>1988</u>		
Oct	Training plans workshop for government officials from regions	GOI
Oct	Begin BELT for participants given TPA in March 1988	GOI
Nov	Signing of new contract for OTO support office in the US	GOI/AID
Dec	Publish new brochure on OTO objectives and operations	GOI
Dec.	Complete the redrafting of OTO operating manual	GOI
<u>1989</u>		
Jan	Commence EAP-1	GOI
Jan	Training plans seminar for NGOs and private universities	GOI
Jan	Complete the pre-feasibility study for future World Bank project to assist the OTO	GOI/WB
Jan	Departure of last long-term participants under Amendment 2	GOI/AID
Jan	Departure of first long-term participants under Amendment 3	GOI/AID
Jan	Organization of the first re-entry seminar/workshop	GOI
March	COPE sessions for participants who completed EAP-2	GOI
March	TPA administered	GOI
March	Donors' meeting	GOI
March	Revision of PIL 18 for OTO support	AID/GOI
June	Revision of PIL 20 for support of ELT	AID/GOI
July	Commence EAP-2 for next major group of Amendment 3 participants	GOI
Aug	Departure of MA and last PhD participants	GOI
Oct	TPA administered	GOI

<u>Month</u>	<u>Activities</u>	<u>Responsibility</u>
<u>1989</u>		
Oct	BELT Program starts (for future funding sources)	GOI
Oct	Training plans workshop	GOI
Dec	Departure of MA participants	GOI
Dec	Initial OTO staff interns return from US support office	GOI
<u>1990</u>		
Jan	Interim project evaluation	AID
Jan	EAP-1 Program starts (for future funding sources)	GOI
Jan	Re-entry seminar/workshop	GOI
Mar	TPA administered	GOI
Mar	COPE sessions for those who began EAP-2 in July '89	GOI
Mar	Donors' meeting	GOI
Mar	Revision/extension of PIL 18 for OTO support	AID/GOI
June	Revision/extension of PIL 20 for ELT support	AID
June	World Bank contract signed, ready for implementation	IBRD/GOI
July	EAP-2 (for future funding sources)	GOI
July	Re-entry seminar/workshop	GOI
Aug	Departure of MA participants	GOI
Sept	Donors' meeting	GOI
Oct	TPA administered	GOI
Oct	BELT (for future funding sources)	GOI
Oct	Training plans workshop	GOI
Dec	Departure of last MA participants	GOI
<u>1991</u>		
Jan	EAP-1 Program starts (for future funding sources)	GOI
Jan	Re-entry seminar/workshop	GOI
Mar	TPA administered	GOI

<u>Month</u>	<u>Activities</u>	<u>Responsibility</u>
<u>1991</u>		
Mar	COPE sessions for those who began EAP-2 in July 1990	GOI
Mar	Donors' meeting	GOI
Mar	Revision/extension of PIL 18 for OTO support	AID/GOI
June	Revision/extension of PIL 20 for ELT support	AID/GOI
July	EAP-2 (for future funding sources)	GOI
July	Re-entry seminar/workshop	GOI
Sept	Donors' meeting	GOI
Oct	TPA administered	GOI
Oct	BELT (for future funding sources)	GOI
Oct	Training plans workshop	GOI
<u>1992</u>		
Mar	COPE sessions for those who began EAP-2 in July 1990	GOI
Mar	Donors' meeting	GOI
Mar	Revision/extension of PIL 18 for OTO support	AID/GOI
June	Revision/extension of PIL 20 for ELT support	AID/GOI
July	EAP-2 (for future funding sources)	GOI
July	Re-entry seminar/workshop	GOI
Sept	Donors' meeting	GOI
Oct	TPA administered	GOI
Oct	BELT (for future funding sources)	GOI
Oct	Training plans workshop	GOI

B. CONTRACTING PROCEDURES

The contract for implementing GPT-II participant support services will be entered into on or about November 1988, following the full and open competition procedures of AID Handbook 11, Chapter 1, Host Country

Contracting Procedures. The purpose of this four-year contract is to develop the skills of selected OTO staff to place, monitor and provide appropriate support to Indonesian students in degree and non-degree programs in the United States.

This will be an Indefinite Quantity Contract with a guaranteed minimum level of work: the required support services for an estimated 300 participants. The estimated maximum number of participant trainees is 1500. The contractor will be paid on a fixed fee basis; the amount will be negotiated with the prospective contractor of "x" dollars per participant per month, which would be pro-rated for partial participant months. The guaranteed minimum will be the participants who are in study programs at the time the contract is signed, until the completion of their degree programs. The indefinite quantity of add-on work will be the work related to additional participants placed and supported during the life of the contract. The contractor may be required to support as many as 1200 additional participants over the contract term.

These additional participants may be funded by additional USAID funds in the current GPT-II Project or from other USAID projects. Because the Indonesian government intends to utilize the OTO as an umbrella organization under which participants from different funding sources can be placed and supported, the contractor should be prepared to deal with the various regulations and requirements which these different funding sources may impose.

Long-term assistance for English language training, academic counselling and placement will be contracted as Host Country personal services contracts. It is expected that short-term technical assistance will be contracted using Host Country PSCs, although provision will be made for the U.S. OTO support services contractor to provide this assistance as requested.

IV. MONITORING AND EVALUATION PLAN

Monitoring. Project monitoring will consist of four major elements: participant follow-up activities conducted by the OTO and USAID/GOI; semi-annual reviews; meetings with the Implementing Team and NSCOT as required; and the continued monitoring of trainees and training programs by the contractors, the Mission and concerned departments and agencies. This integrated monitoring process will provide for comprehensive project review and ensure the relevance and effectiveness of the project. In detail, these elements are:

- Upon return, each participant will complete a training evaluation questionnaire and will be interviewed by the OTO. OTO will prepare a monthly report on all returnees for the month so that USAID technical divisions can be notified of returnees within their field of interest. The former trainee will be contacted at least once a year for three years, as prescribed in Chapter 25 of USAID Handbook 10; to determine what position he or she is occupying, how his or her training may be helping in job performance, and what additional assistance might be required that could be provided under the follow-up component of this project.

- Semi-annual project review meetings will be planned and conducted by the OTO. The NSCOT, contractors and the USAID Project Officer will participate. During these meetings, progress in implementing project activities will be assessed, and obstacles to project implementation will be identified and action to overcome them agreed upon.

Evaluation. Formal external evaluations of the project will be conducted in 1990 and 1992. These evaluations will use OTO, USAID and individual GOI agency records as well as the results of follow-up surveys and field studies. Evaluations will focus on (1) the extent to which returned participants utilize their training and are utilized by their departments and agencies; (2) the quality and relevance of training provided at U.S. and other training institutions; (3) the relevance and

influence of the projects planned, programmed and/or implemented by individuals trained or employed in this project; (4) the appropriateness of selection criteria; (5) the extent to which the OTO is developing into an effective and self-sustaining indigeneous office for overseas training related services; (6) the degree to which funds are being used as planned; and (7) the effectiveness of each of the Working Groups and their abilities to provide appropriate systematic examination, recommendations and programs.

The next external evaluation, which should occur in early CY 1990, will draw on data developed by the impact evaluation process getting underway in the Summer of 1988 to address items 1, 2 and 3. Its primary focus, however, will be on items 4, 5, 6 and 7 which directly concern the continued institutionalization of OTO and the NSCOT. Of particular interest will be OTO's sustainability and credibility in the eyes of GOI ministries and other donors as they utilize the OTO system for selecting and supporting trainees.

Audit Procedures

Project assistance financed by AID and the GOI is subject to audit. In order to minimize vulnerability, the Mission Controller will conduct periodic examinations of records, and as part of its voucher examination program, will review GOI accounting procedures and documentation relating to their direct procurement financed under the project. Project funding is also available for project audit including host country and AID direct contracts, following guidelines from the AID Inspector General's Office. This audit coverage will be performed by auditors through local representatives of U.S. certified public accountant firms, with assistance from the Regional Inspector General - Audit Division in Manila. These services will be procured with project funds by AID direct contract following direct payment procedures.

In addition, AID may utilize project funding to obtain financial management technical assistance to asses, and where necessary, assist in upgrading the financial management systems of project units.

V. CONDITIONS PRECEDENT AND COVENANTS

There is no need for additional conditions precedent beyond those contained in the original Project Agreements. However, in order to record the agreement reached between the GOI and AID regarding the posting of OTO staff to work with the U.S.-based contractor responsible for providing participant support services, the following additional covenant is established:

OTO covenants to provide at least one senior Indonesian staff member in the U.S., as soon as circumstances permit, to complement and provide professional guidance and support to other U.S. based OTO staff.

c
CONCEPT PAPER

Annex A

General Participant Training II - Amendment #3

I. Project Data

<u>Current (thru Amend #2)</u>		<u>Proposed Amendment #3</u>
a. Authorization	: Loan = \$25,500,000 Grant = \$ 3,500,000 LOP = \$29,000,000	increase to: Loan = \$45,500,000 Grant = \$ 4,500,000 LOP = \$50,000,000
b. Obligation	: Loan = \$21,488,000 Grant = \$ 3,129,000	FY88 Loan = \$10,100,000 Grant = \$ 1,371,000
c. Mortgage	: Loan = \$ 4,012,000 Grant = \$ 371,000	after FY88 Loan = \$13,912,000 Grant = \$ -0-
d. Commitments (as of 12/31/87)	: Loan = \$16,808,039 Grant = \$ 2,786,903	N/A N/A
e. Uncommitted Pipeline (as of 12/31/87)	: Loan = \$ 4,679,961 Grant = \$ 342,097	N/A N/A
f. Planned New Commitments: (thru 6/30/89)	Loan = \$ 8,691,691 Grant = \$ 287,000	increase to : Loan = \$23,791,691 Grant = \$ 1,287,000
g. PACD: 30 April 1992 (9 year LOP)		30 April 1993 (10 year LOP)

II. Background

General Participant Training II (GPT II), originally approved in 1983, is intended principally to provide funds for overseas long (graduate level) and short-term training for Indonesian government and non-government employees in fields directly related to the country's priority development needs. In addition, the project provides resources for the development of a national Overseas Training Office (OTO) whose purpose is to provide participant placement and management services, on a request basis, to government and non-government agencies, and to the various locally represented donor organizations which support overseas training in their assistance programs. OTO is governed by an inter-ministerial National Steering Committee for Overseas Training (NSCOT), which advises the GCI on training policy, approves training plans and directs the OTO to undertake research on manpower development and participant training issues.

The OTO and NSCOT have shown significant growth in carrying out their respective responsibilities. The capacity of OTO to identify systematically a pool of candidates for overseas training using an

381

objective selection process has been demonstrated many times over. In fact, growth in this area has been so rapid, OTO is now literally suffering from its own success: it has exhausted its resources for overseas scholarships, GPT II provided as well as others, while viable candidates are steadily queuing for places.

Under GPT II support, 800 Indonesians have or will be funded. Already 238 have returned from short-term programs, 76 with masters degrees and 26 with PhD's. Those short term, masters and PhD participants now in training number respectively 10, 202 and 62, while those currently awaiting U.S. placements are 34, 146 and 6. Although obligated GPT II funds are currently only 80% committed and 42% disbursed, when each of the "in-training," "waiting placement," and remaining "set-aside" (NGO and university staff) programs are costed out to completion, the project training budget is fully programmed.

III. The Problem and Proposed Solution

USAID/Jakarta, the creator and principal benefactor through GPT II of OTO and NSCOT, has a responsibility to ensure these bodies grow as useful organizations, effectively and efficiently serving their various clients. This responsibility is not just paternalistic, but rather a direct implication of the new CDSS which identifies high level manpower development as an explicit objective. The CDSS also calls for reducing staff intensity, a management objective which will be fulfilled in part (and in fact has already started) as a developing OTO assumes more and more of the Mission's participant processing and monitoring responsibilities.

The problem lies in the as yet unestablished credibility of the OTO, in the eyes of the donor community, to place and manage participants without the in-country assistance of MUCIA, the long-term GPT II contractor. OTO has already supported the participant needs of one World Bank project, relatively minor Dutch and French training activities, and is about to participate in a Canadian training project of moderate proportions. However, these activities together, in the Mission's judgment are not sufficient to put OTO within the credibility envelope particularly once MUCIA departs. The just concluded external evaluation of GPT II supports this view, recommending, "USAID needs to address its future general training and OTO strategy from both a short and long term perspective. This dual need has been caused by the recently discovered shortfall in remaining GPT-II funds, which, if not ameliorated, will bring about a premature halt to project activity.... USAID should continue funding GPT II until the end of the project ... [at] a level of funds sufficient to cover the direct and support costs of at least 100 new academic and 50 or more short-term participants a year"

Without more experience, OTO will not be able to attract the overseas training resources donors are potentially willing to provide to Indonesia, resources which in our view (and as articulated in the CDSS) are critically needed. The World Bank has expressed interest in meeting some of the pent-up supply of overseas candidates, but wants OTO to prove itself first as an effective participant management agency. Australia

and New Zealand have expressed similar interest. Thus the Mission stands at a critical juncture with an opportunity for timely assistance to OTO which can leverage of other donor funds to a significant degree.

OTO to date has been assisted in its development through a host country contract with MUCIA, and HIID as a subcontractor. Participant support funds under this contract will be exhausted in November 1988, at which time OTO will pick up major responsibilities for managing and monitoring those GPT II participants still in training and those yet to depart. However, as strong as OTO grows in these operations, it will not have the resources available to it to accomplish the final, but most important (in the eyes of the donors) aspect of its responsibilities, namely placement services. By the end of 1988 or early 1989, OTO expects to have in place a new host country contract with a U.S. organization to provide the necessary link to the U.S. training institutions. The plan is for a large buy-in contract into which USAID (i.e., individual projects within the portfolio) and other donors such as the World Bank and ADB, can commit funds for efficient procurement of participant services.

Amendment #3 of GPT II will provide the funds for OTO to meet its most immediate needs for overseas training. Over 250 tested and OTO selected candidates are already in English training. Another 300 candidates have been identified and will soon enter English preparatory classes. These two waves of candidates represent the pool from which the Mission will select its participants under Amendment #3, which will be designed to provide the resources (and time) OTO needs to demonstrate that it can truly serve the participant programming needs of the donor community at large. This amendment will also provide bridge funding to Training for the Year 2000, a new Mission project, which is planned as a follow-on to GPT II with obligation tentatively scheduled for FY90. The Evaluation Team in its report encourages USAID "to initiate action on the PID at the earliest possible time" given the need to maintain the flow of training resources. It also suggests that "in this new project, greater emphasis should be placed on such issues as improved training focus, closer alignment to the CDSS, and 'set-asides' for private sector, women and other target groups...." These principles will be made part of the new GPT-II amendment.

In making its choices for new GPT II participants from the existing OTO candidate pipeline, the Mission will apply criteria based upon the directions and sectoral priorities of the CDSS which establishes employment generation and sustainable increases in incomes as its goal. In addition, the Mission will set aside a small portion of funds for direct programming of candidates yet to be identified. This latter component will allow the Mission to meet quickly deserving training requests as they arise (a facility lacking in GPT II to date); may provide funds for an expansion of the spouse training program which has proven itself very successful under the Western Universities Agricultural Education Project; and may support the training of private-for-profit sector candidates, a change from the non-government participants (indigenous PVO's and private universities) GPT II has so far supported. The Evaluation Team also recommends this change, stating, "USAID should consider modest 'set-asides' in the GPT II amendment to ensure that it has access to training funds in pursuit of its own interests in such areas as natural resources and environment, ... [and] a similar 'set-aside' for the private sector...." These design issues will be addressed during PP amendment development.

41

IV. Inputs and Design, Obligation and Commitment Schedule

In Amendment No. 3, GPT II's authorization level will be raised \$21.0 million, from \$29.0 million to \$50.0 million. The PACD will be extended by 12 months to 30 April 1993 for a 10 year LOP. These additional funds and extended time will allow approximately 400 more long-term and 250 more short-term participants to be trained. Additional funding for direct OTO institutional support is not needed, since this need is adequately covered under the existing budget. Of the additional funds to be authorized, \$20 million are Loan and \$1 million is grant. Grant funds are needed to support training programs, such as certain private sector activities, which the GOI may find difficult to finance with project loan funds.

The PP Amendment No. 3 will be prepared in early 3rd quarter FY88, with obligation anticipated for that quarter or early fourth. At present, the Mission plans to obligate approximately \$11.5 million into the project in FY88, leaving a mortgage of about \$13.9 million for future obligations. Based on plans for NSCOT and OTO to enter into a new buy-in contract for participant management services with a U.S. institution in early FY89 (1st or 2nd quarter), the Mission anticipates early commitment of the full FY88 uncommitted pipeline by mid-1989 and could handle additional funds if they were available.

V. Estimated Budget (for Amendment No. 3)

	<u>Loan</u>	<u>Grant</u>
1. Training (NSCOT/OTO Control)		
- long-term: 360 @ \$1500 x 25 PM	\$13,500,000	-
- short-term: 225 @ \$3000 x 1.5PM	1,012,500	-
2. Training (Mission Set-aside - 10%)		
- long-term: 40 @ \$1800 x 27PM	1,215,000	729,000
- short-term: 25 @ \$3500 x 1.5PM	78,750	52,500
3. Pre-departure Preparation		
- English, subject upgrading orientation	2,400,000	100,000
4. International Travel (joint funded)		
- 650 x \$2000 (AID portion)	1,250,000	50,000
5. Contingency/Inflation	<u>543,750</u>	<u>68,500</u>
TOTAL	\$20,000,000	\$1,000,000

Drafted by:CSBonner;tg:02/09/88
Clearance: EHR/T,DFoster-Gross (in draft)
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42

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Annex B

ACTION AID 3 INFO DCM
 NVZCZCJA0785
 PP RUEEJA
 DE RUEHC #6040 1450624
 ZNR UUUU 22H
 P 240621Z MAY 88
 FM SECSTATE WASEDC
 TO AMEMBASSY JAKARTA PRIORITY 3690
 BT
 UNCLAS STATE 166040



LOC: DISK 158 854
 24 MAY 88 0625
 CN: 27963
 CERG: AID
 DIST: AID

AIDAC

E.O. 12356: N/A

TAGS: N/A

SUBJECT: GENERAL PARTICIPANT TRAINING II PROJECT
 (497-2322) AMENDMENT

1. SUMMARY. BUREAU PROJECT REVIEW COMMITTEE (PRC) MET APRIL 12, 1988 AND REVIEWED USAID REQUEST TO AMEND THE SUBJECT ACTIVITY. PRC RECOMMENDED AND AA/ANE HEREWITHE APPROVES USAID PROCEEDING TO AMEND, BY DELEGATED AUTHORITY, PROJECT AUTHORIZATION TO EFFECT A TWENTY-ONE MILLION DOLLAR GRANT INCREASE IN THE PROJECT'S FUNDING AND A ONE YEAR EXTENSION TO THE PROJECT ASSISTANCE COMPLETION DATE (UNTIL APRIL 30, 1993). AMENDED AUTHORIZATION IS TO BE BASED ON AMENDED PROJECT PAPER, WHICH SHOULD REFLECT THE BUREAU CONCERNS NOTED IN THIS CABLE. END SUMMARY.

2. USAID REQUEST TO AMEND SUBJECT PROJECT TO INCREASE LIFE-OF-PROJECT FUNDING BY TWENTY-ONE MILLION DOLLARS AND EXTEND PROJECT ASSISTANCE COMPLETION DATE BY ONE YEAR WAS REVIEWED BY THE PRC ON APRIL 12, 1988. BASED ON THAT REVIEW THE PRC RECOMMENDED AND THE AA/ANE HEREWITHE DELEGATES (UNDER DELEGATION OF AUTHORITY NO. 420, DATED FEB. 10, 1986) TO THE USAID DIRECTOR THE AUTHORITY TO AMEND PROJECT AUTHORIZATION TO REFLECT THE INCREASE OF

U.S. DOLS TWENTY-ONE MILLION IN GRANT FUNDS, AND A ONE YEAR PAOD EXTENSION. AMENDED AUTHORIZATION IS TO BE BASED ON AN AMENDED PROJECT PAPER.

3. THE PRC IDENTIFIED THE FOLLOWING MAJOR CONCERNS THAT SHOULD BE FULLY ADDRESSED BY USAID IN PREPARING THE AMENDED PROJECT PAPER.

A) WITH REGARDS TO THE ADMINISTRATION OF THE OVERSEAS TRAINING OFFICE (OTO), THE FOLLOWING SHOULD BE CLARIFIED:

FOLLOWING THE MARCH 1988 GOI CABINET REALIGNMENT, ADDRESS THE PROSPECT, TIMING AND IDENTIFY THE PARENT AGENCY, FOR THE FORMAL CREATION OF OTO AS AN OPERATING ENTITY WITHIN THE GOVERNMENT OF INDONESIA.

HIGHLIGHT HOW OTO PARTICIPATES IN THE

USAID ROUTING		
TO	ACT.	INFO
DIR		
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ECON		
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FPS		
EXO		
CIA		
FIN		
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EHR		
EHR/T		
VHP		
PSD		
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PER		
DMC		
GSO		
C&R		

43

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ESTABLISHMENT AS WELL AS EXECUTION OF GOI MANPOWER PLANNING AND DEVELOPMENT OBJECTIVES.

B) IN REGARDS TO THE SUSTAINABILITY OF THE OTC OPERATIONS, THE FOLLOWING SHOULD BE ADDRESSED:

- DETAIL HOW THIS AMENDMENT WILL WORK TO DEMONSTRATE OTO'S CREDIBILITY AS AN ORGANIZATION THAT CAN DELIVER SOUND PARTICIPANT TRAINING SERVICES. OUTLINE WHAT ACTIVE EFFORTS WILL BE UNDERTAKEN TO EXPAND GOI AND OTHER DONOR USE OF OTC'S SERVICES AND THE LIKELIHOOD OF REACHING SELF-SUSTAINABILITY OF ITS OPERATIONS DURING THE AMENDED TIME PERIOD FOR THIS PROJECT.

- IF THE AMENDED EFFORT IS TO DEMONSTRATE ADEQUATE CAPACITY AND QUALITY STANDARDS TO ATTRACT OTHER BUSINESS, THEN USAID SHOULD BE PREPARED TO SUPPORT THIS BY PLACING MORE TRAINING WORK WITH OTO. WE UNDERSTAND PLANNING IS ALREADY UNDERWAY WITHIN USAID TO DEMONSTRATE THIS COMMITMENT AND WE WELCOME FURTHER CLARIFICATION IN THE AMENDMENT DOCUMENTATION.

C) IN ADDRESSING THE FINANCIAL ANALYSIS SECTION OF AMENDED PROJECT PAPER, PLEASE EXPAND DISCUSSION TO COVER:

- A FULLY PRICED-OUT BUDGET TABLE FOR THE PROJECT THAT REASONABLY ADDRESSES THE PLANNED USES OF THE FUNDS, WITH CLOSE ATTENTION TO DETERMINING THE NUMBER OF PARTICIPANTS TO BE SUPPORTED. THE SUPPORT LEVEL OF PARTICIPANTS SHOULD BE MADE CLEAR TO ALL PARTIES FOR PLANNING PURPOSES TO ASSURE THAT THE PIPELINE OF

CANDIDATES DOES NOT OVERWHELM AVAILABLE RESOURCES. MOREOVER, FINANCIAL PLAN SHOULD DEMONSTRATE REASONABLENESS OF PROPOSED TIME EXTENSION AND INCREMENTAL OBLIGATION SCHEDULE BASED ON 18 MONTH COMMITMENT NEEDS.

- CLARIFICATION OF WHAT TERMS OR CONDITIONS WILL BE PLACED ON GRANT FUNDING OF PRIVATE SECTOR PARTICIPANTS. GIVEN THEIR CAPACITY TO PAY, IT WOULD SEEM APPROPRIATE THAT SOME COST SHARING ARRANGEMENTS WOULD BE IN ORDER.

4. PLEASE FORWARD TO ANE/PD/EA AMENDMENT DOCUMENTATION IN THE FORM APPROVED/EXECUTED BY MISSICN. SHULTZ

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-44-

Mission Response to Concerns in
AID/W Approval Cable

"A) With regards to the Administration of the Overseas Training Office (OTO), the following should be clarified:

- Following the March 1988 Cabinet Realignment, address the prospect, timing and identify the parent agency, for the formal creation of OTO as an operating entity within the Government of Indonesia."

See I.C.2.b Legal Creation of OTO

"Highlight how OTO participates in the establishment as well as execution of GOI manpower planning and development objectives."

See I.C.2.a Background for discussion of objectives of OTO and I.C.3.d OTO Staffing for explanation of OTO's role in GOI manpower planning.

"B) In regards to the sustainability of the OTO operations, the following should be addressed:

- Detail how this amendment will work to demonstrate OTO's credibility as an organization that can deliver sound participant training services. Outline what active efforts will be undertaken to expand GOI and other donor use of OTO's services and the likelihood of reaching self-sustainability of its operations during the amended time period for this project."

See all of I.C.2. OTO/NSCOT Institutionalization, I.C.3. Relieving Constraints and I.D. Other Donor Assistance.

- "If the amended effort is to demonstrate adequate capacity and quality standards to attract other business, then USAID should be prepared to support this by placing more training work with OTO. We understand planning is already underway within USAID to demonstrate this commitment and we welcome further clarification in the amendment documentation."

See I.C.1.a Training Strategy and I.C.1.b Description of Training for Special Concerns.

"C) In addressing the financial analysis section of amended project paper, please expand discussion to cover:

- A fully priced-out budget table for the project that reasonably addresses the planned uses of the funds, with close attention to determining the number of participants to be supported. The support level of participants should be made clear to all parties for planning purposes to assure that the pipeline of candidates does not overwhelm available resources. Moreover, financial plan should demonstrate reasonableness of proposed time extension and incremental obligation schedule based on 18 month commitment needs."

See II. Cost Estimates and Financial Plan and Annex F. Budgetary Analysis.

- "Clarification of what terms or conditions will be placed on grant funding of private sector participants. Given their capacity to pay, it would seem appropriate that some cost sharing arrangements would be in order."

See I.C.1.a Training Strategy, including discussion of private sector, and I.C.1.b Description of Training for Special Concerns - Private Sector (Private for-Profit).

- 46 -

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From: FY 88 to FY 93
Total U.S. Funding: \$50 million
Date Prepared: July 22, 1988

Project Title & Number: GENERAL PARTICIPANT TRAINING II (497-0320)

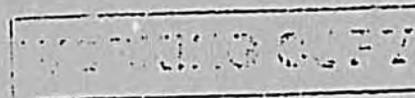
NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS																		
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>Improve the economic and social development of Indonesia. Increase the probability of GOI attaining its major targets in the fourth and fifth year development plans.</p>	<p>Measure of Goal Achievement:</p> <p>Rise in per capita income. Continued stability with growing participation in the democratic process.</p>	<p>GOI (RPS Statistics)</p>	<p>Assumptions for achieving goal targets:</p> <p>GOI management of economy and development programs continues as at present.</p>																		
<p>Project Purpose:</p> <p>Expand the manpower capability of ministries, universities and private, non-profit organizations to implement development programs effectively.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <ol style="list-style-type: none"> Participants have returned to important assignments. An overseas training unit is placing Indonesian participants and supporting them, through the resources of various donor funded projects. 	<p>Project evaluation and participant follow-up studies/information.</p> <p>OTO reports on its activities.</p>	<p>Assumptions for achieving purpose:</p> <p>GOI and private sector organizations are able and willing to place returned participants in positions appropriate to their enhanced skill levels.</p> <p>OTO is able to market its services to other GOI agencies and donor organization.</p>																		
<p>Outputs:</p> <p>Indonesian government and non-government personnel trained overseas in short-term technical and long-term graduate degree programs.</p> <p>The OTO is operating (officially) in the identification, placement, processing and management of GPT II participants. It also is assisting with the delivery of improved ELI services in Indonesia.</p>	<p>Magnitude of Outputs:</p> <table border="0"> <tr><td>PhD</td><td>-</td><td>140</td></tr> <tr><td>MA/MS</td><td>-</td><td>644</td></tr> <tr><td>S/I</td><td>-</td><td>657</td></tr> </table> <p>OTO, with a staff of approximately 27 professionals, operating under four divisions: training needs assessment, orientation and processing, operational research and evaluation, management and reports.</p>	PhD	-	140	MA/MS	-	644	S/I	-	657	<p>Grade reports, diplomas and OTO periodic participant reports.</p> <p>Physical verification, GOI DIP budgets, mid-term evaluation and annual review of operations.</p>	<p>Assumptions for achieving outputs:</p> <p>Participants perform well in their training programs, and return to Indonesia upon completion.</p> <p>OTO receives required GOI budget staffing and facilities support, and appropriate guidance from NSCOT and outside TA consistent with its purpose and scope.</p>									
PhD	-	140																			
MA/MS	-	644																			
S/I	-	657																			
<p>Inputs: (\$000)</p> <ol style="list-style-type: none"> Part. Training MS/PhD, and S/I Tech. Assistance L/I and S/I OTO Support Staff, facilities, supplies, training, studien Evaluation/Audit Contingency/Inflation 	<p>Implementation Target (Type and Quantity)</p> <table border="0"> <thead> <tr> <th></th> <th><u>AID</u></th> <th><u>GOI</u></th> </tr> </thead> <tbody> <tr> <td>1. Part. Training MS/PhD, and S/I</td> <td>41,543</td> <td>12,861</td> </tr> <tr> <td>2. Tech. Assistance L/I and S/I</td> <td>4,473</td> <td>-</td> </tr> <tr> <td>3. OTO Support Staff, facilities, supplies, training, studien</td> <td>1,000</td> <td>3,839</td> </tr> <tr> <td>4. Evaluation/Audit</td> <td>150</td> <td>-</td> </tr> <tr> <td>5. Contingency/Inflation</td> <td>2,834</td> <td>-</td> </tr> </tbody> </table>		<u>AID</u>	<u>GOI</u>	1. Part. Training MS/PhD, and S/I	41,543	12,861	2. Tech. Assistance L/I and S/I	4,473	-	3. OTO Support Staff, facilities, supplies, training, studien	1,000	3,839	4. Evaluation/Audit	150	-	5. Contingency/Inflation	2,834	-		<p>Assumptions for providing inputs:</p> <ul style="list-style-type: none"> OTO is recognized as viable and valuable in services it offers. Sufficient pool of qualified (or qualifiable) candidates available for training. GOI able to meet its cash and in-kind contributions. Support for project objectives remains high with NSCOT and other GOI leaders.
	<u>AID</u>	<u>GOI</u>																			
1. Part. Training MS/PhD, and S/I	41,543	12,861																			
2. Tech. Assistance L/I and S/I	4,473	-																			
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5. Contingency/Inflation	2,834	-																			



REPUBLIC OF INDONESIA
NATIONAL DEVELOPMENT PLANNING AGENCY
JAKARTA, INDONESIA

USAID ROUTING		
TO	ACT.	INFO
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DD		
EGON		
LA		
PPS		
EXO		
CM	No. : 3024	D. IV/8/1988
FIN		
FIN/B		
FIN/FA		
ARD	Mr. David N. Merrill	
OIPH	Director, USAID	
EHR	c/c American Embassy	
EHR/T	Jl. Merdeka Selatan 3-5	
VHP	JAKARTA	
PSD		
INFO C		
PER		
DNC		
GSD		
GBR		

Jakarta, August 1, 1988



Re: General Participant Training (GPT-II) Project (497-0328)

Dear Mr. Merrill,

On behalf of the Government of Indonesia, we hereby request an additional \$ 21.0 million in grant funds to support funding of technical assistance and short-term and long-term training programs, under the ongoing General Participant Training (GPT-II) Project No. 497-0328. In addition we would like to request that the Project Assistance Completion Date (PACD) be extended by one year, until April 30, 1993.

The new grant would increase total project funds to \$ 50 million, \$ 28.512 million in grant and \$ 21.488 million in loan. The Government of Indonesia will contribute not less than the Rupiah equivalent of \$ 16.7 million in support of this project over its ten year life.

The project will be implemented by the Overseas Training Office.

We look forward to your favourable considerations and thank you for your kind cooperation.

Yours sincerely,

Buly O. Surjaatmadja
Deputy Chairman



- Cc.: 1. Minister of National Development Planning/Chairman of Bappenas.
2. Director of OTO.

Budgetary Analysis

The following provides background on the assumptions used in developing the Amendment budget.

Table 7 indicates the status of funds and participants remaining in the project prior to this Amendment. The \$8,691,961 will permit OTO to pay for the completion of studies of 327 participants either in training or entering training programs in the fall of 1988.

Amendment 3 funds will be utilized for new degree participants beginning their studies in mid-1989, for short-term training beginning in September 1988, and for pick-ups from existing projects. These are shown in Tables 8, 10 and 11. These tables are based on the following assumptions of USAID costs:

1. Based on experience to date, it is assumed that an MA requires an average of 25.5 months, a PhD an average of 45.5 months, and short-term training lasts an average of 2 months.
2. Monthly costs for participants are assumed to be \$3500 for short-term participants; \$1800 for MA and PhD participants. This \$1800 is based on actual 1987-1988 monthly costs of \$1400 and an inflation factor of 8% per annum, averaged to a mid-point (January 1991) in concentration of participants in study programs, as shown in the time-line chart of participant programming for Amendment 3 (Table 12). The 8% inflation factor is a combination of a 5% general inflation rate of other training costs and a 10% inflation rate of tuition costs.
3. It is assumed that ELT costs are \$4000 per degree participant and zero for short-term.

4. It is assumed that for short-term participants, GPT-II pays \$2000 in transportation costs, whereas for degree participants, GPT-II pays \$1000.
5. Thus, the total cost per participant, including monthly costs, ELT and transportation are:

ST	-----	\$ 9,000
MA	-----	50,900
PhD	-----	86,900
6. It is assumed that the new contract for a US support office will have fees of \$200 per participant per month.

Tables 8 and 9 are based on the following assumptions of GOI costs:

1. Travel costs are \$2000 per degree participant and \$1000 per short-term participant.
2. BELT and EAP-1 have an average total cost of \$3276 per degree participant.
3. Pre-departure costs are \$600 (\$150 for departure tax; \$180 for medical exam; and \$270 for local travel and per diem).
4. Salary and benefits, including housing, are \$429 per month.
5. Thus, the total training costs per participant for the GOI are:

ST	-----	\$ 2,457
MA	-----	\$16,816
PhD	-----	\$25,396

Table 12 depicts long-term participant programming. The arrows below the line indicate the number of participants beginning study programs, the arrows above the line indicate the number completing their studies, and the numbers on the line show how many are studying at a given time on Amendment 3 funds.

This time-line chart also shows that all participants complete their study programs by April 1993. The number in study programs during the 4.5 years of the Amendment follow the typical pattern of a bell-shaped curve.

Finally, Table 13, which is based on Table 12, shows the flow of expenditures of Amendment 3 funds over the remaining life of the project. Thus, the initial 18-months will expend \$5,123,000 of the \$21 million.

Concerning commitments and obligations -- present obligations total \$24.6 million, of which over \$20 million is committed. An FY 88 obligation of \$14.8 million is anticipated, with no obligation currently scheduled for FY 89. Within the next 18 months a long-term host country contract will be signed for contractor support for participants estimated at \$2.6 million. In addition, an umbrella PIL will provide funding for long- and short-term participant training, the estimated value of which is \$25.5 million. Thus commitments at the end of 18 months could reach \$48.1 million. However, present plans for obligations will limit the actual commitments to funding available (i.e., approximately \$39 million) minus a small amount for contingency and in-country seminars which will be committed as needed. Should additional funding become available, the Mission could easily obligate an additional \$9 million and still adhere to the 18-month commitment guideline.

TABLE 7

OTO
PROJECTED TRAINING FUNDS UTILIZATION
OF REMAINING GPT-II FUNDS
PRIOR TO AMENDMENT 3

1. Training funds in MUCIA contract will be dissipated as of about August 1 1988.
2. By that date, the number of participants in training will be about:

MUCIA/COLUMBUS	-----	282
HIID	-----	45
		<hr/>
		327

3. Training costs to complete studies of these 327 participants (4730 p/m x \$1400)	\$6,622,000
4. Contractor fees to support and monitor these 327 participants (4730 p/m x 200)	946,000
5. Transportation cost above and beyond current PIL	375,000
6. OTO support through April 1993	664,500
7. Contingency for extension of participant study periods.	84,461
	<hr/>
	\$8,691,961

TABLE 8
GPT-II, AMENDMENT 3, PARTICIPANT TRAINING COSTS

USAID	# of Part.	# of Months	Travel	BELT & EAP-1	EAP-2	Salary & Benefit	Pre-DEP.	Monthly Support Costs	Total Cost Per Part.	Total Cost
PhD	32	45.5	\$1000		\$4000			\$1800	\$86,900	\$ 2,780,800
MA	229	25.5	1000		4000			1800	50,900	11,656,100
ST	395	2	2000					3500	9,000	3,555,000
Pick-ups		154 m/m						2000		308,000
										18,299,900

GOI										
PhD	32	45.5	\$2000	\$3276		\$19,520	\$600		\$25,396	\$ 812,672
MA	229	25.5	2000	3276		10,940	600		16,816	3,850,864
ST	395	2	1000			857	600		2,457	970,515
Pick-ups	20	154 m/m	500			429 m/m	-			76,000
										5,710,051

Assumptions:

1. On travel, GOI pays for Garuda between Jakarta and Los Angeles for degree candidates; GOI pays between Jakarta and Hong Kong for short-term study programs.
2. Pre-departure costs include in-country travel, medical, exams, per diem and airport tax. Those average \$600 per participant.
3. Salaries and benefits average \$429 per p/m of study, but include the period of pre-departure preparation.

53

TABLE 9

GOI CONTRIBUTION BUDGET
(\$000's)

Participant Training

1. Pre-departure costs	\$ 393
2. English Language Preparation	900
3. Salaries, benefits & facilities	3,500
4. International travel	917
	<hr/>
Sub-total	\$5,710

OTO Support Cost

1. Space rental	\$ 543
2. Salaries	405
3. Office equipment & supplies	190
4. Communications	142
5. Vehicle maintenance	28
	<hr/>
Sub-total	1,290
Total	\$7,000

TABLE 10

PROJECT AMENDMENT NO. 3
\$ 12 MILLION INPUT SUMMARY

1. Participant Training	USAID Grant
150 MA @ \$50,900	\$ 7,635,000
15 PhD @ 86,900	1,303,500
160 ST @ 9,000	1,440,000
2. Technical Assistance	
U.S. Support Office Contractor's Fees	
4,827 p/m. @ \$200 per p/m	\$ 965,400
3. Contingency	656,100
	<hr/>
	\$12,000,000

TABLE 11

PROJECT AMENDMENT NO. 3
\$9 MILLION SECTOR SUMMARY

A. <u>Pick-Ups</u>		
1. Provincial Area Dev. (3 persons, 5 mo each)		15 p/m
2. Citanduy (1 MA-finishing)		6 p/m
3. CHIPPS (1 MA - 18 mo)		18 p/m
4. Western Univ. (13 MAs, 7 mo. each, finishing)		91 p/m
5. Education Policy Planning (2 PhDs finishing)		24 p/m
		154 p/m
B. <u>Other Projects and Activity Sectors</u>		
1. <u>Agriculture Planning</u>	4 MA	@25.5 p/m
	2 PhD	@45.5 p/m
2. Public Health	2 MA	@25.5 p/m
	1 PhD	@45.5 p/m
3. Fisheries	18 MA	@25.5 p/m
	4 PhD	@45.5 p/m
4. Natural Resources	5 MA	@25.5 p/m
	5 PhD	@45.5 p/m
5. Private (for Profit)	40 ST	@ 2.0 p/m
	15 MA	@25.5 p/m
	75 ST	@ 2.0 p/m
	8 In-country Seminars	
6. Private Univ.	20 MA	@25.5 p/m
	5 PhD	@45.5 p/m
7. NGOs	10 MA	@25.5 p/m
	80 ST	@ 2.0 p/m
	8 In-country Seminars	
8. Other Areas (to be determined)	5 MA	@25.5 p/m
	40 ST	@ 2.0 p/m

\$9 million Input Summary

1. Participant Training		USAID Grant
79 MA	@\$50,900	\$ 4,021,100
17 PhD	@ 86,900	1,477,300
235 ST	@ 9,000	2,115,000
154 p/m of Pick-ups	@\$2,000	308,000
In-country Seminars: 16	@\$15,000	240,000
2. Technical Assistance		
US Support Office Contractor's Fees		
3412 p/m @ \$200 per p/m		682,400
3. Contingency		156,200
		\$ 9,000,000

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TABLE 13

PARTICIPANT PROGRAMMING FOR AMENDMENT 3*

	Sept. 1988	Jan. 1989	Jan. 1990	Jan. 1991	Jan. 1992	Jan. 1993	Apr. 1993
MA	↑ 1	↑ 1	↑ 130	↑ 99	↑ 130	↑ 229	↑ 99
PhD	↑ 1	↑ 29	↑ 1	↑ 30	↑ 1	↑ 31	↑ 31

* Does not include pick-ups

51

TABLE 13

BUDGET OF EXPENDITURES FOR \$21 MILLION
(IN \$100'S)
(6-MONTH PERIODS)

	'10/88 '3/89	'4/89 '9/89	'10/89 '3/90	'4/90 '9/90	'10/90 '3/91	'4/91 '9/91	'10/91 '3/92	'4/92 '9/92	'10/92 '4/93	'Totals'
Short-term*	'18/ '495	'23/ '620	'23/ '620	'23/ '620	'10/ '269	'10/ '269	'10/ '269	'10/ '269	'5/ '134	'3555'
MA	'13	'291	'1696	'1696	'2879	'2879	'1233	'1220	'58	'11,965'
PhD	'-	'57	'371	'394	'394	'394	'394	'394	'382	'2780'
In-country Seminars	'30	'30	'30	'30	'30	'30	'30	'30	'-	'240'
Contractor Fees	'27	'68	'238	'236	'332	'335	'187	'180	'45	'1648'
Contingency	'90	'90	'90	'90	'90	'90	'90	'90	'92	'812'
Total	'645	'1156	'3045	'3066	'3994	'3997	'3203	'2183	'711	'21,000'

Note: The "pick-ups" are included with the MAs and PhDs.

* Short-term training is programmed at an average of 18 people in training each month from 10/88 to 3/89; 23/month through 9/90; 10 per month through 9/92 and 5 per month for the last period.

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5C(2) PROJECT CHECKLIST

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

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

A. GENERAL CRITERIA FOR PROJECT

- 1. FY 1986 Continuing Resolution Sec. 524; FAA Sec. 634A.

Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project.

The CN expired without Congressional objection on 27 May, 1988. STATE 172319 advised that obligation of this project may be incurred.

- 2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) Yes.
(b) Yes.

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance? No further legislative action is required. However, a decree is to be issued establishing the Overseas Training Office as a legal entity linked to BAPPENAS.
4. FAA Sec. 611(b); FY 1986 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See AID Handbook 3 for new guidelines.) N/A
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? N/A
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No.
N/A

7. FAA Sec. 601(a). Information and conclusions whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.
- This project will directly encourage (b), (c) and (e).
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).
- Section 601(b) is not applicable to a General Participant Training project.
9. FAA Sec. 612(b), 636(h); FY 1986 Continuing Resolution Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.
- The GOI is contributing over 25% of the total project costs, in cash or in-kind. Most of this contribution is in local currency.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?
- NC.

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?
- Yes. The present implementing contract with MUCIA was competitively awarded and the upcoming contract is using formal competitive procedures.
12. FY 1986 Continuing Resolution Sec 522. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?
- N/A
13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16. Does the project or program take into consideration the problem of the destruction of tropical forests?
- This project has no effect on the environment, being essentially to provide U.S. training. There is training provided at MA and PhD levels for environmental and natural resources management.
14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?
- N/A
15. FY 1986 Continuing Resolution Sec. 533. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution?
- No.

16. ISDCA of 1985 Sec. 310. For development assistance projects, how much of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

A concerted effort will be made to increase the utilization of HBUCs in the implementation of the Amendment. The amount of funds to be used for these purposes is not known at this time.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

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

The human resource development activities provided for NGOs under the amended project are in part designed to benefit the rural poor. Certainly, they will improve the effectiveness of NGOs that directly serve the poor. Additionally, special efforts are included to increase the number of women receiving training under this project.

democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

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

Activities meet fully the criteria of Section 103 and 105 of the FAA.

c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

Section 107 of the FAA is essentially inapplicable to a General Development Training Project.

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

Yes, in cash or "in-kind".

e. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes.

- f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?
- Yes, it will be so monitored.
- g. FAA Sec. 281 (b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.
- This project supports development of local government institutions and increases the productive capacity and income of the rural poor by infusion of skilled manpower to local levels of Indonesian society. It also expands the intellectual resources that are applied to planning of project and program activities designed to encourage institutional development, including NGOs.
2. Development Assistance Project Criteria (Loans Only)
- a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.
- Indonesia has demonstrated its ability to repay AID loans without difficulty. This Amendment, however, is all grant.
- b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?
- N/A

3. Economic Support Fund Project Criteria

- a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of part I of the FAA? N/A
- b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities? N/A
- c. ISDCA of 1985 Sec. 207. Will ESF funds be used to finance the construction of, or the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the IAEA, and pursues nonproliferation policies consistent with those of the United States? N/A
- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? N/A

5C(3) - STANDARD ITEM CHECKLIST

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

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

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Yes.
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? Yes.
3. FAA Sec. 604 (d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? Indonesia does not so discriminate.
4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed, is there provision

- against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) N/A
5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries which receive direct economic assistance under the FAA and which are otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one of these areas? Do these countries permit United States firms to compete for construction or engineering services financed from assistance programs of these countries? N/A
6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? No. But this section of the MMA is not applicable to this Project.
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the Yes.

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

No Federal PASAs are contemplated.

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

International travel will be funded on a grant basis under the Project for short-term participants from Tokyo onward and for long-term from Los Angeles onward. U.S. carriers will be used.

9. FY 1986 Continuing Resolution Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?

Any direct contract under the Project will so provide, but Project is planned to be implemented thru Host Country Contracts.

B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used?
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on an competitive basis to maximum extent practicable?
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)?

N/A

N/A

N/A

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? Yes.
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes.
4. Will arrangements preclude use of financing:
 - a. FAA Sec. 104(f); FY 1986 Continuing Resolution Sec. 526. (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion?
 - (1) Yes.
 - (2) Yes.
 - (3) Yes.
 - (4) Yes.

- b. FAA Sec. 488. To reimburse persons, in the form of cash payments, whose illicit drug crops are eradicated? Yes.
- c. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? Yes.
- d. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes.
- e. FAA Sec. 662. For CIA activities? Yes.
- f. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes.
- g. FY 1986 Continuing Resolution, Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? Yes.
- h. FY 1986 Continuing Resolution, Sec. 505. To pay U.N. assessments, arrearages or dues? Yes.
- i. FY 1986 Continuing Resolution, Sec. 506. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)? Yes.

- j. FY 1986 Continuing Resolution, Sec. 510. To finance the export of nuclear equipment, fuel, or technology? Yes.
- k. FY 1986 Continuing Resolution, Sec. 511. For the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes.
- l. FY 1986 Continuing Resolution, Sec. 516. To be used for publicity or propaganda purposes within U.S. not authorized by Congress? Yes.