

PD-AAA-464  
58511

**U. S. AID MISSION TO DOMINICAN REPUBLIC**

AMERICAN EMBASSY, P. O. Box 22201  
SANTO DOMINGO, DOMINICAN REPUBLIC

Dr. Marcelino San Miguel II  
President of the Board of Directors  
Educational Credit Foundation (FUNDAPEC)  
Avda. Pasteur No. 36  
Ciudad

FOR U. S. CORRESPONDENTS:  
U. S. AID MISSION  
APO MIAMI 34041-0008

Dear Dr. San Miguel:

Subject: AID Grant No.  
517-0216-G-SS-8288-00

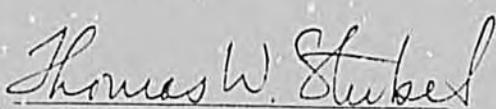
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as AID or "Grantor") hereby grants to the Educational Credit Foundation (hereinafter referred to as FUNDAPEC or "Grantee") the sum of Four Million, Two Hundred thousand U.S. Dollars (US\$4,200,000) to provide support for a program in Development Training, as described in the Schedule of this grant and the Attachment 2, entitled "Program Description. The amount of Seven Hundred and Sixty Thousand U.S. Dollars (US \$760,000) is hereby obligated for program expenditures. Subject to their availability, additional funds will be added later.

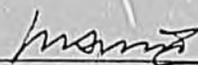
This grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of the program objectives during the period beginning with the effective date and ending August 24, 1994.

This grant is made to the Educational Credit Foundation (FUNDAPEC) on the condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, the "Schedule"; Attachment 2, entitled "Program Description"; and Attachment 3, entitled "Standard Provisions", which have been agreed to by your organization.

Please sign two originals of this letter in English and Spanish, and return to A.I.D. one set of originals to acknowledge your receipt and acceptance of the conditions under which these funds have been granted. In the event of ambiguity, the English language Grant Agreement controls.

  
\_\_\_\_\_  
Paul D. Taylor  
Ambassador of  
the United States

  
\_\_\_\_\_  
Thomas W. Stukel  
Director, Agency for  
International Development

ACCEPTED BY:   
\_\_\_\_\_  
Dr. Marcelino San Miguel II  
President, Board of Directors

DATE: 24 AGO 1988

- Attachments: 1. Schedule  
2. Program Description  
3. Standard Provisions

## SCHEDULE

A. Purpose of Grant

The purpose of the project is to improve the efficiency and productivity of private, public and non-profit sector firms and institutions supportive of USAID's strategy by providing training to Dominicans already employed. Under this Agreement, the project will provide funds for both long- and short-term training in the United States, third-countries and in-country training for Dominican employees of public and non-profit sector institutions, as specifically described in Attachment 2 to this grant entitled, "Program Description".

B. Period of the Grant

1. The effective date of the grant is August 24, 1988. The estimated expiration date of this grant is August 24, 1994.

2. Funds obligated hereunder are available for program expenditures for the estimated period of August 24, 1988 through August 24, 1994, as shown in the financial plan below.

C. Amount of Grant and Payment

1. The total estimated amount of this Grant for the period shown in B.1 above is \$4,200,000.

2. A.I.D. hereby obligates the amount of \$760,000 for program expenditures during the period set forth in B.2 above and as shown in the financial Plan below.

3. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3, "Standard Provisions for Non-U.S., Nongovernmental Grantees," entitled "Periodic Advance."

4. Additional funds up to the total amount of the grant shown in C.1 above may be obligated by A.I.D. subject to the availability of funds, and to the requirements of the Standard Provisions of the Grant, entitled "Revision of Financial Plans".

D. Financial Plan

The following is the Financial Plan for this Grant, including local cost items. Revision to this Plan shall be made in accordance with Standard Provisions of this Grant, entitled "Revision of Financial Plans".

Within the total obligated amount the Grantee may adjust individual line items as is reasonably necessary for the performance of the project activities. No such adjustment may change any particular category by more than 15% without the prior written approval of A.I.D.

Educational Credit Foundation (FUNDAPEC)  
SUMMARY FINANCIAL PLAN  
BY SOURCE AND USE OF FUNDS  
(In US\$ 000's)

USE OF FUNDS	SOURCE OF FUNDS				
	<u>FX</u>	AID <u>L.C.</u>	<u>Total</u>	<u>HC</u>	<u>Total</u>
<u>1. TRAINING</u>					
Long-Term	2,700	0	2,700	0	2,700
Short-Term	550	0	550	0	550
In-Country	355	95	450	60	510
English (ELT)	90	0	90	0	90
Air Fare/Salaries/ Training Fee	0	0	0	1,000	1,000
Sub-Total	<u>3,695</u>	<u>95</u>	<u>3,790</u>	<u>1,060</u>	<u>4,850</u>
<u>2. ADMINISTRATIVE COSTS</u>					
FUNDAPEC (Gen. Support)	300	0	300	450	750
<u>3. COMMODITIES</u>	45	0	45	0	45
<u>4. EVALUATIONS/SURVEYS/     AUDITS</u>	65	0	65	85	150
TOTAL	<u>4,105</u>	<u>95</u>	<u>4,200</u>	<u>1,595</u>	<u>5,795</u>

(Doc. 8563A, p.3)

E. Evaluation, Audits and Reporting

1. Evaluation/Audits

The Parties agree to establish an evaluation and audit program as part of the Project. Project Evaluation will be an on-going process and will be conducted at different levels and at various intervals throughout the life of the project. Technical advice may be employed to assist in conducting the evaluations and audits. The three scheduled evaluations of the Project will be conducted at the following times: one in early FY 89; a mid-term evaluation in FY 91; and a final evaluation scheduled for June, 1994. The evaluations will include, but are not limited to: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; (d) assessment of FUNDAPEC's effectiveness in the organization and implementation of its strategic plan; (e) assessment of the quality and effectiveness of the technical assistance in participant placement; (f) relevance and quality of the training in U.S., third-country institutions, and by in-country organizations; (g) relevance and utilization of skills acquired in training in relation to job performance; (h) suitability of selection criteria and the functioning of the selection committee; (i) adequacy of the English Language Training program and (j) the effectiveness of the project in terms of improved productivity and/or increased growth and incomes in the participating public and non-profit organizations.

2. Reporting

Reporting shall be done by the Grantee in accordance with requirements which will be furnished by A.I.D. to the Grantee through "Letters of Implementation" after the effective date of the Grant.

F. Conditions Precedent

1. The Standard Provisions for Non-U.S. Grantees shall be attached and form part of this Agreement.

2. Initial Disbursement under the Grant. Prior to the first disbursement under the Grant, the Grantee will, except as A.I.D. may otherwise agree in writing, furnish A.I.D. in form and substance satisfactory to A.I.D.:

a. an opinion of the Legal Advisor to the Grantee that this Agreement has been duly authorized and executed on behalf of the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms; and

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

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3. First Disbursement for the Training Office of FUNDAPEC. Prior to first disbursement under the Grant for expenses associated with the Training Office of FUNDAPEC, the Grantee will, except as A.I.D. may otherwise agree in writing, furnish A.I.D. in form and substance satisfactory to A.I.D. evidence that adequate office space is available to house the Training Office and that a Project Manager has been designated, including a statement of the responsibilities of this position.

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

G. Authorized Geographic Code

The authorized geographic code for procurement of participant training goods and services under this Grant is 000 (U.S.) and the Dominican Republic, except as A.I.D. may otherwise agree in writing. For all procurement of goods and services for third-country participant and in-country training, however, the authorized geographic code is 941 (i.e. the Selected Free World).

H. Title to Property

Title to all equipment and supplies acquired under this Grant shall be vested in FUNDAPEC in accordance with Clause 29A, "Title to and Use of Property (Grantee)" of the Standard Provisions.

I. Procurement procedures to be utilized by the Grantee shall be in conformity with Standard Provision 17 and must have prior A.I.D. approval.

PROGRAM DESCRIPTION

A. Project Goal and Purpose

The goal of the project is to improve the human resource base required for economic growth and development. This project will provide the trained personnel required to improve productivity within the Dominican employed, public and private sectors, and thereby help increase and enhance the level of economic growth and development in the country. Goal achievement will be measured by the job positions of returned trainees and in-country trainees and their longer term contribution to meeting the demand for professional managers and technicians in key sectors of the economy.

The purpose of the proposed project with FUNDAPEC is to improve the efficiency and productivity of public and non-profit institutions and organizations supportive of USAID's strategy by providing training to Dominicans already employed. This will be achieved through the provision of U.S., third-country and in-country training in priority sectors of the economy.

The project amendment will have the following training outputs:

1. An estimated 54 public and non-profit sector employees trained in the U.S. at the Masters level.
2. An estimated 135 employees in the public and non-profit sectors will be trained in the U.S. and third-countries in short courses and observational tours tailored to their particular technical needs.
3. Approximately 800 Dominicans will receive in-country training through seminars and workshops linked to their specific on-the-job employment areas in the public and non-profit sectors. Technical assistance using U.S., third-country and national level expertise will have been provided in-country with emphasis on the highest priority skills and professional qualifications.
4. An estimated 90 Dominicans will have received ELI at the ICDA, with approximately 30 being participants from other A.I.D. projects.

B. Project Components

1. Masters Degree Training

All of the proposed long-term graduate level training is for Master's degree studies. Based on recently conducted research, advanced training is required in the areas of:

agriculture, mid-level management, quality control, health, education, economics, statistics, financial management, international banking and industrial technology.

This component is designed to address the shortage of personnel needed to improve the productivity and effectiveness of public and non-profit sector institutions, and to meet the needs for leadership in the professional and managerial fields required for the transference and application of modern technology. Priority is placed on obtaining Master's degrees in areas not offered in Dominican institutions.

2. Short-Term U.S. and Third-Country Training

There exists a strong demand on the part of the Dominican public and non-profit sectors to learn state-of-the-art, employment-related skills used in the U.S., particularly in the following priority areas:

Needs analysis, policy formulation, allocation of functions, procedural simplification, use of new technology, modern financial and accounting practices, managerial techniques, and, increasing of organizational outputs.

Approximately 135 trainees will participate in non-degree courses, seminars and observational tours in the U.S. and third-countries. To the extent possible, courses will be tailored to the requirements of the individual's job context. Standard courses will also be considered if they are relevant to the particular needs.

There are several organizations and institutions that offer relevant short-term courses such as the American Management Association, World Trade Institute, and the U.S. Departments of Labor, Commerce, Health and Agriculture. Numerous specialized skills-upgrading courses are offered by third-country institutions such as CATIE and INCAE in Central America, as well as by U.S. universities and private firms. Observational tours for individuals and groups will be arranged as a cost-savings option.

Candidates selected for the intensive short-term skills upgrading will be mid-level employees, managers and other key personnel. The criteria for selection will focus on identification of skills, knowledge or abilities needed to improve the productivity of the institution or entity sponsoring the trainee. The specific criteria for participant selection will be: 1) appropriate academic qualifications, where relevant; 2) currently employed for not less than six months in the institution of nomination (at least 50% on-the-job) ; 3) the proposed training is relevant to the current job of the candidate; 4) the candidate is currently in a mid-level, professional or a managerial position in the institution of nomination; and 5) institutions which encourage the nomination of qualified female candidates, with efforts made under the project to create some workshops on issues related to women in the work force.

### 3. In-Country Training

Approximately 30 in-country workshops and seminars will be carried out to provide specialized technological and managerial training focusing on: 1) top management personnel whose levels of responsibility are such that they cannot be released from their duties for the period of time normally required for overseas training; 2) mid-level managers, supervisors and technicians whose training needs can be provided more economically and effectively in an in-country training program; and 3) small non-profit organizations and PVOs. Among the priority areas determined at this time for in-country training are:

Community-based health services, free trade zone development, health information systems, human relations and supervision, health care marketing, industrial management, industrial mechanics, marketing, management, non-traditional crop production, integrated pest control, pediatrics, production techniques, quality control, technical industrial training, women in the work force, monetary policies and public financial management.

The selection criteria for the in-country training programs will include: 1) a determination that in-country training is more cost effective than offshore for the number of trainees; 2) a need for training in Spanish; 3) a need to train in the work environment or the DR context; 4) trainees who are unable to leave their institutions for short- or long-term participant training; 5) no need in the training program for expensive or highly sophisticated training equipment; and 6) the availability of appropriate facilities and/or programs in the DR.

#### 4. English Language Training

An in-country English Language Training Program (ELT) for long-term training participants will be carried out at the Dominican-American Cultural Institute (ICDA). The purpose of the intensive in-country ELT Program is to train A.I.D. participants at beginning and low intermediate levels to an English language proficiency equivalent to a 450-474 TOEFL before departing to the United States for long-term academic training. This pre-academic program operates under a set of curriculum guidelines with well-defined performance objectives. Instruction is intensive; i.e., five hours per day, five days a week with a curriculum that is balanced with the basic skills: reading, writing, listening, and speaking. The training course consists of 500 hours of English instruction during a 5 month (20 week) period. Students are tested and enrolled in two levels according to their initial proficiency.

#### C. Selection Process and Evaluation

##### 1. Selection Criteria

The following criteria will serve as the basis for selection of all participants for training programs in the public and non-profit sectors financed under the project.

- a) Agencies/Institutions supportive of or directly related to USAID/DR development strategy for the Dominican Republic, especially those involved with exports, agricultural diversification, private financing of development and in support of health, social and educational services.
  - b) Functioning agency/institution currently staffed and with a viable operating budget;
  - c) Agency/Institution not currently covered by a participant training component in another project, unless a clear need is demonstrated to the USAID Mission;
  - d) Agency/Institution willing to pay costs of international airfare (at a minimum to port of entry in the U.S.) and salaries while employee participant is in training offshore;
  - e) Agency/Institution which has completed a training plan detailing the needs of the section or department concerned;
  - f) Agency/Institution which will nominate female candidates at a percentage at least equal to the number of females currently employed in professional and managerial levels.
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2. Long-Term, Short-Term and In-Country Training

Public institutions and non-profit entities that indicate an interest for training under the Project will develop, in coordination and collaboration with the Project Manager, an institutional training plan. This plan will specify knowledge-based constraints which can be addressed through long- or short-term training in the U.S., third-countries and in-country; and propose areas of training and the personnel to be trained.

The nomination of candidates for Masters and short-term training will be by various public and non-profit sector organizations, and PVOs. A Committee will be established to review scholarship applications, screen finalists, and interview those applying for long-term training. The Committee, selected by FUNDAPEC, will be composed of representatives of collaborating organizations. (See Section D.1.b. for more detail on the selection process and committee composition).

3. Evaluation and Follow-up

In order to measure the effectiveness of the individual training programs, as well as the significance of the overall training in the context of the Project goal and achievement of project objectives, an evaluation and follow-up activity will be carried out. Each year a follow-up survey will be conducted to ensure that the demand analysis is accurate. The objectives of the activity will be to: 1) update the type, duration, and level of demand for training in the public and non-profit sectors; 2) discuss the factors that have influenced this level of demand; 3) review the level of support the public and non-profit sectors are willing to provide training participants; and 4) suggest any modifications. The annual activity will also deal with post-training follow-up and will assess the impact, relevance and utilization of the training and on-the-job performance. The follow-up activity will involve a survey of participants to gather information related to the satisfaction of the quality of the training program and to how well it met the needs for which it was designed. This information will be valuable on a short-term basis for programming and recommending specific courses to institutions/organizations and potential trainees. Based on this information and the individual institutional training plans, an annual training plan will be developed.

Project evaluations will assess the application of the training to more effective performance; professional advancement or added responsibilities within the organization as a result of the training; professional improvement in terms of professional contacts and interactions; and the relevance of skills learned in the broader context of Dominican public and non-profit sector growth and development. Three project amendment evaluations will be conducted during the life of the project and will address those factors outlined in Attachment 1, Paragraph E.

D. Implementation Arrangements

1. The Educational Credit Foundation of APEC (FUNDAPEC)

The public sector and private, non-profit sector training component of the project will be granted to and administered by the Educational Credit Foundation of APEC (FUNDAPEC), which will be responsible for the overall management of this component in coordination with USAID/DR. A project management unit will be established within FUNDAPEC and consist of a full-time Project Manager, a training assistant, a secretary and a chauffeur/messenger. The Project Manager will be the key link between FUNDAPEC and the USAID Project Liaison Officer and the HRD division of USAID, and will be responsible for planning and managing all project activities including, but not limited to: promotion, recruitment, participant screening and selection, monitoring and follow-up. Specifically, the Project Manager will perform the following:

a. Promotion

The Project Manager will be responsible for promoting the project training activities with public and non-profit sector organizations and relevant educational institutions. The Manager will also prepare materials for publication in local newspapers and bulletins regarding training opportunities available under the project. These publications regarding training opportunities will contain the terms of the scholarships, fields and areas of study offered, prerequisites for participation and selection criteria. The Project Manager will also prepare a strategy outlining specific steps to encourage female participation in the training program.

b. Recruitment, Screening and Selection

The Project Manager will visit public and non-profit sector organizations and educational institutions to inform them of project training opportunities and to identify organizations throughout the country that would qualify for participation in the project. Organizations and institutions wishing to participate in project-sponsored training will develop, in coordination and collaboration with the Project Manager, an organizational training plan. This plan will specify knowledge-based constraints which can be addressed through training as well as proposals for areas of training and personnel to be trained. The plan will also identify organizations that qualify in terms of project priorities.

The nomination of candidates for training will be made by the participating organizations and institutions, with the final selections made by a Selection Committee established for the purpose of reviewing training applications and selecting applicants in accordance with the project criteria. The Selection Committee will meet a minimum of four times a year in the months of September, December, March and June. This committee will be chaired by FUNDAPEC and may consist of two representatives from the public sector, two from the educational/NGO sector (most probably one from CEDOIS), and two members from the FUNDAPEC Board. The USAID HRD officer or his/her

designee will serve on the Committee as an ex-officio member. However, USAID must concur on the final selection of participants. Each participant/trainee selected by the committee will receive a detailed letter stating the terms of the training grant. In the case of overseas training, the participant will be required to sign a legally binding document stating that each will return to the place of employment in the Dominican Republic upon the completion of training for a period equal to at least twice the training period. To the extent possible, women applicants will receive priority during the selection process so that 25% of the total number of project participants are female. It is also anticipated that a majority of the long-term participants will be placed in the ELT program at ICDA.

c. Evaluation and Follow-up

The Project Manager will ensure that required training program evaluations and follow-up activities are being carried out on a regular basis. The Project Manager will also have the responsibility for periodically assessing the training needs of public sector organizations and educational institutions through formal interviews or surveys. The Project Manager will also collect sex-disaggregated data on participants to measure the participation of female employees and achievement of objectives in this area.

2. USAID/DR Training Office

On completion of the selection process, the USAID/DR Training Office will assume responsibility for all public sector and non-profit private sector U.S. and third-country participants. This will include, among other things: the preparation of PIO/P's; necessary placement and follow-up with AID/W and the Office of International Training, or third-country USAID Missions; pre-departure arrangements and orientations; and, other actions necessary to ensure full compliance with the Agency's procedures as set forth in Handbook 10.

3. Mission Monitoring Plan

The Human Resources division of USAID/DR will be responsible for monitoring the Development Training Project. The HRD contract Project Liaison Officer will work with the two grantees, the U.S. Contractor, and the USAID/DR Training Office to ensure that the project is meeting its goals and objectives, and that all of the participating organizations comply with AID's training and reporting requirements, and the requirement that at least ten percent of all U.S. participants are placed in Historically Black Colleges and Universities (HBCU). The HRD Project Liaison Officer, or designee, will represent the Mission as an observer on all project training selection committees. USAID/DR must concur on the final selection of all participants.

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4. Implementation Arrangements for the In-Country Training Component in the Public and Non-Profit Sectors.

The primary distinction between the participant training activities and the in-country training programs will be made when the Project Manager of FUNDAPEC and the organization jointly develop an institutional/organizational training plan. At that time a preliminary decision will be reached whether it is more appropriate to carry out the training in-country or overseas. Once a determination is made to undertake the training in-country, the following general implementation actions will be undertaken.

- a) The respective Project Manager will attempt to locate an in-country training institution to organize and carry out the requested training.
  - b) The designated local training organization will develop a training program proposal that will include a proposed curriculum, a cost estimate and a description of any outside technical assistance that may be required.
  - c) This proposal, together with the institutional/organizational training plan and a list of proposed trainees will be submitted to the respective Selection Committee for review and approval.
  - d) If approved, and outside technical assistance (TA) is required, the grantee's Project Manager will be responsible for procuring TA services. If these TA services involve the expenditure of foreign exchange, the costs will be eligible for financing under this project. It is estimated that at least 50% of the local costs will be paid by the sponsoring organization. After the completion of the first year of project implementation, a review of the cost of local technical assistance will be made and any appropriate adjustments approved by the USAID at that time.
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