

PD-ABB-705

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A.I.D. Project No.: 532-0129

AMENDMENT NO. 3
TO THE
PROJECT GRANT AGREEMENT
BETWEEN
THE UNIVERSITY OF THE WEST INDIES
AND THE
UNITED STATES OF AMERICA
FOR THE
UWI MANAGEMENT EDUCATION PROJECT

Date: 06 JUL 1990
Appropriation: 72-1101021
BPC: LDEA90-25532-KG13
Amount: \$300,000

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PROJECT GRANT AGREEMENT

AMENDMENT NO. 3

AMENDMENT Number 3 between the UNIVERSITY OF THE WEST INDIES ("Grantee) and the UNITED STATES OF AMERICA, acting through the Agency for International Development ("A.I.D.").

The Government of Jamaica and A.I.D. entered into a Project Grant Agreement, dated September 11, 1987 ("Agreement"), which was amended on June 13, 1988 and June 27, 1989.

The Government of Jamaica and A.I.D. now desire to amend the Agreement to reflect the obligation of an additional US\$300,000 in grant funds.

The Parties agree that the Agreement shall be further amended as follows:

Section 1. Section 3.1. The Grant is deleted in its entirety and replaced by the following:

"Section 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant to the Grantee under the terms of the Agreement an amount not to exceed Two Million Seven Hundred and Fifty Thousand United States Dollars (\$2,750,000) ("GRANT").

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1., and local currency costs, as defined in Section 6.2., of goods and services required for the Project."

Section 2. Section 3.2. Grantee Resources for the Project. Subsection (b), is deleted in its entirety and replaced by the following:

"(b) The resources provided by the Grantee for the Project will not be less than the equivalent of US\$1,574,000, including costs borne on an "in-kind" basis."

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Section 3. Section 3.3(a) is deleted in its entirety and replaced by the following:

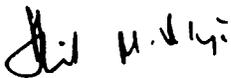
"Section 3.3(a) The "Project Assistance Completion Date" (PACD) which is September 30, 1995, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement."

Section 4. Annex 1, "Amplified Project Description," is hereby amended by the addition of an "Annex I Supplement," appended hereto as Attachment 1 and by the addition of a revised "Summary Cost Estimates and Financial Plan," appended hereto as Attachment 2.

Except as amended herein, the Agreement remains in effect.

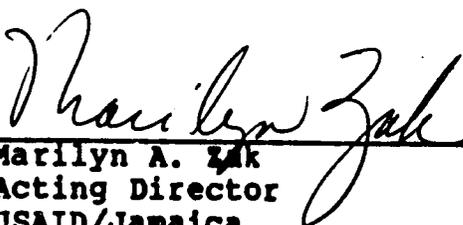
IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its respective duly authorized representative, have caused this Amendment to be signed in their names and delivered as of the day and date below written:

GOVERNMENT OF JAMAICA



Alister McIntyre
Vice-Chancellor

UNITED STATES OF AMERICA



Marilyn A. Zak
Acting Director
USAID/Jamaica

Date: 16 July 90

ANNEX 1 SUPPLEMENT
AMPLIFIED PROJECT DESCRIPTION

Elements of this description may be changed by written agreement of the authorized representatives of the parties named in the PROAG without formal amendment of the Agreement, provided that such changes are within the general scope of the Project as set forth in the text of the Agreement.

Subject to the availability of funds, it is USAID's intent to grant the Grantee funds in an amount not to exceed Two Million United States (U.S.) dollars (\$2,000,000) in increments, in accordance with Section 2.2. of this Project Agreement (PROAG) for Phase II.

I. GENERAL PROJECT DESCRIPTION

The Project goal for the supplement remains: to overcome the shortage of trained managers at the mid and upper management levels of both public and private sector business institutions in Jamaica.

The overall purpose also has not changed -- to strengthen the management education and training capability of the University of the West Indies' DOMS.

The primary focus of the project is institutional development of the UWI DOMS through the development of relevant undergraduate, graduate and executive management programs. After three years of implementation, the project is on target except for some delays in the schedule for upgrading of the B.Sc. program. Many of the delays are linked to the project's institutional strengthening focus -- it takes time to change attitudes in a tradition-bound institution. It is expected that all activities under Phase I will be completed by September 30, 1990. Phase II will continue progress made under Phase I and provide a foundation for Phase III. Phase III will see the DOMS as a fully functioning department with the return of all Masters and Ph.D. trained faculty contributing to program development. The Institute of Business is expected to be fully operational during Phase II and generating sufficient resources to cover recurrent costs of the Institute and the programs under the DOMS. Therefore, USAID assistance under Phase III is expected to be gradually reduced.

The conceptual framework for this supplement is based on the premise that financial self-sufficiency is a long term goal of the DOMS. With that in mind, Phase II will require the development of a long term strategy for achieving financial self-sufficiency by the DOMS. This strategy will be required within the first six months of Phase II, (i.e., six months from the date on which the proposed agreement is signed.) USAID consideration of continued assistance under a Phase III will follow an evaluation of UWI's progress in implementing its plan, as well as reviews of overall implementation progress. Key to USAID's consideration of Phase III will be implementation of the strategy and movement toward financial sustainability of the offerings and programs under the DOMS.

Phase II will include three of the four categories of Phase I: (1) staff development; (2) introduction of new organizational structures; and (3) program development. The fourth category of Phase I--construction--will not be a part of Phase II since all construction activities are now complete. A common thread woven throughout the project is the relevance of DOMS' activities to the needs of the private sector. At every juncture, project activities will be reviewed by USAID and UWI to ensure a more demand-driven approach to management studies. Phase II will involve a five year extension of the PACD. All project activities except training are expected to be completed within the first three years of the project. The final two years are for completion of Ph.D. training for UWI faculty.

1. Staff Development

Achievement of project objectives is dependent upon a strong, motivated and competent staff at the DOMS. The first phase of the project identified the problem of an inadequate number of lecturers in several critical subject areas. Nine new staff members will have been trained at the Master's level by the end of Phase I. At present, six of the nine have already returned to the University and are contributing significantly to improving the delivery of the B.Sc. program. The other three staff members will return by June, 1990. Although training of these staff has helped relieve some of the pressure on the University, the problem of an inadequate number of senior level staff at the professorial or Ph.D. level persists. Ph.D. graduates will strengthen the academic image of the DOMS faculty and will provide staff with a potential to undertake consultancy and research projects both for the academic development of the DOMS and for the Institute of Business (IOB). This caliber of staff will also serve as the permanent lecturers for the EMBA

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program. During Phase II, it is anticipated that approximately four staff members will be trained at the Ph.D. level within the following disciplines:

- o Marketing
- o Organizational Behavior/Human Resource Development
- o International Business
- o Business Economics and Finance
- o Management Information Systems
- o Production

The acquisition of an adequate number of staff at this level is necessary for development and servicing of graduate and post graduate training and research programs in management. Although only 16 percent of the DOMS staff is comprised of women, over 50 percent of the students in the Masters and B.Sc. programs are women, and this percentage is expected to rise. Phase II will provide resources for long term training abroad of DOMS staff at the Masters and Ph.D. levels and for short courses and consultation visits. Trainees will be bonded and expected to remain at UWI according to the University's regulations. The project manager will continue to monitor the participation of women in the programs to ensure equitable representation. This component of the project will target existing and new staff at UWI and will finance the costs of training and technical assistance for the following:

- (a) Ph.D. Level - Existing staff members will be selected for Ph.D. level training in U.S. institutions. Dissertations are expected to be on subjects relevant to Jamaica. UWI will make special arrangements for the Ph.D. candidates to receive leave that is in proportion to their salary while they are away.
- (b) Masters Level - Selected recent graduates of the UWI B.Sc. program will be enrolled in Master of Science programs either at U.S. universities or at one of the UWI's regional campuses. Of particular interest to the University is the M.Sc. in Management Studies. The University considers this degree to be more advantageous than the MBA for graduates who wish to make teaching a career. Other speciality areas for University staff include managerial accounting and international business. Student theses are expected to be on subjects relevant to Jamaica.
- (c) Visiting Faculty Appointments - Faculty from American universities and institutions will continue to teach in the EMBA program and to work with UWI counterparts to help increase the skills of faculty members. By the end of Phase II, UWI faculty are expected to be the main presenters/lecturers of the EMEA program.

- (d) Part-time Staff - A considerable portion of the DOMS staff are part-time. Although the actual numbers of part-timers will decrease gradually during Phase II due to an increased number of full-time staff, it is nevertheless recognized that part-time staff will always contribute to the delivery of DOMS programs. The EMBA program, in particular, makes use of senior and experienced members of the business community as resources for the various modules of the program. This will continue as it has proven to be cost effective and a valuable aspect of the EMBA program.
- (e) Short-term Training - Various short term training opportunities, consultation visits, conferences and professional development courses will be provided to staff in the DOMS and other departments in the FSS.

II. MODIFICATIONS TO COST ESTIMATE AND FINANCIAL PLAN

The revised USAID cost estimate of the Project, with the addition of US\$2,000,000 in grant funds, is US\$4,450,000 and the new life of project, with the five year extension, is 8 years from initial obligation. A revised cost estimate and financial plan is attached. Within the original Project Agreement, the University of the West Indies' contribution was US\$820,000, or 25 percent of project costs. UWI's contribution to Phase II totals 27 percent of the supplement costs, or US\$754,000.

Summary Cost Estimates and Financing Plan

(US\$000)

Budget Element	Previous Obligation		Obligated This Amendment		Planned Future Obligation		Total Obligation	
	UWI	USAID	UWI	USAID	UWI	USAID**	UWI	USAID
El.1 Technical Assistance Overseas (Short Term) TA	0	232	0	127	0	434	0	793
Local (Long Term) TA	200	677	0	0*	0	0	200	677
El.2 Administrative Support	250	81	50	73	470	172	770	326
El.3 Computers	0	360	0	0	0	50	0	410
El.4 Staff Development	170	348	25	100	209	562	404	1010
El.5 Program Development	0	131	0	0	0	317	0	448
El.6 Commodities	200	157	0	0	0	44	200	201
El.7 Construction	0	361	0	0	0	0	0	361
El.8 Contingency	0	0	0	0	0	42	0	42
El.9 Executive Development	0	45	0	0	0	29	0	74
El.10 Evaluation	0	58	0	0	0	50	0	108
TOTALS	820	2450	75	300	679	1700	1574	4450

* This element has been redefined. Long term local staff is now included under Administrative Support beginning in Phase II.

** Subject to availability of funds.