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

CARIBBEAN REGIONAL
PROJECT PAPER
REGIONAL MANAGEMENT TRAINING PILOT PROJECT
AMENDMENT NUMBER 1

AID/LAC/P-614
(CR-299)

PROJECT NUMBER: 538-0148

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number 01	DOCUMENT CODE 3
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2. COUNTRY/ENTITY Caribbean Regional	3. PROJECT NUMBER 538-0148
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4. BUREAU/OFFICE Latin America/Caribbean (LAC) <input type="checkbox"/> 05 <input type="checkbox"/>	5. PROJECT TITLE (maximum 40 characters) Regional Management Training Pilot Project <input type="checkbox"/>
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6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 1 2 3 1 9 5	7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4) A. Initial FY <input type="checkbox"/> 8 <input type="checkbox"/> 6 <input type="checkbox"/> B. Quarter <input type="checkbox"/> 4 <input type="checkbox"/> C. Final FY <input type="checkbox"/> 9 <input type="checkbox"/> 4 <input type="checkbox"/>
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8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	(540)	(460)	(1,000)	(3,205)	(2,719.1)	(5,924.1)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country UWI		90	90		533	533
Other Donor(s)					845	845
TOTALS	540	550	1,090	3,205	4,097.1	7,302.1

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) EHRD	622	631		2,700		3,224.1		5,924.1	
(2)									
(3)									
(4)									
TOTALS									

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)	11. SECONDARY PURPOSE CODE 622
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12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each) A. Code _____ B. Amount _____

13. PROJECT PURPOSE (maximum 480 characters)

The purpose of the amendment is to assist in alleviating the shortage of skilled upper and middle managers by enhancing delivery of management education, training, research and consulting services to the private sector within the Eastern Caribbean.

14. SCHEDULED EVALUATIONS Interim MM YY <input type="checkbox"/> 0 <input type="checkbox"/> 9 <input type="checkbox"/> 3 <input type="checkbox"/> Final MM YY <input type="checkbox"/> 0 <input type="checkbox"/> 9 <input type="checkbox"/> 5	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment)
 This amount will increase the total AID authorization by \$3.2241 million and extend the PACD by five and a half years until December 31, 1995. The focus of this amendment is to develop a semi-autonomous Center for Management Development at the UWI/Cave Hill and, secondarily, upgrade the faculty and curriculum of that University's management education programs and services.

I certify that the methods of payment and audit plans are in compliance with the Payment Verification Policy.
 James B. Sanford, Acting Controller RDO/C

17. APPROVED BY	Signature <i>A. S. Williams</i> Title Aaron S. Williams Director	Date Signed MM DD YY 0 8 3 1 9 5	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY
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REGIONAL MANAGEMENT TRAINING PROJECT
NO. 538-0148
PROJECT PAPER AMENDMENT NUMBER ONE

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LIST OF ACRONYMS

AACSB	American Assembly of Collegiate Schools of Business
ADC	Advanced Developing Country
BIMAP	Barbados Institute of Management and Productivity
BSc	Bachelor of Science Degree
CAIC	Caribbean Association for Industry and Commerce
CARICAD	Caribbean Center for Development Administration
CIDA	Canadian International Development Agency
CMD	Center for Management Development
DOMS	Department of Management Studies
EC	Eastern Caribbean
EEC	European Economic Community
EMBA	Executive Master in Business Administration Degree
EOP	End of Project
EOPS	End of Project Status
HPE	Health, Population and Education
IOB	Institute of Business
MSc	Masters of Science Degree
MIS	Management Information System
OECS	Organization of Eastern Caribbean States
PIU	Project Implement Unit
PACD	Project Assistance Completion Date
RDSS	Regional Development Strategy Statement
SEPM	Senior Education Project Manager
UNDP	United Nations Development Program
JWI	University of the West Indies

DESIGN TEAM MEMBERS

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Peter Medford, General Program Specialist
Cecelia Karch, Private Sector Officer
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PROJECT AUTHORIZATION AMENDMENT

Name of Country: Caribbean Regional
Name of Project: Regional Management Training
Project Number: 538-0148

1. Pursuant to Section 531 of the Foreign Assistance Act of 1961, as amended, the Regional Management Training Pilot Project was authorized on July 24, 1986. Pursuant to Section 105 of the Foreign Assistance Act of 1961, as amended, I hereby authorize Phase II of the Project, which will hereafter be known as the Regional Management Training Project, involving planned obligations for Phase II of not to exceed Three Million Two Hundred Twenty Four Thousand, One Hundred United States Dollars (US\$3,224,100) in grant funds ("Grant") over a four year period from the date of this authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the overall project (the Pilot and Phase II) is nine and one-half years from the date of initial obligation.

2. Phase II of the Project will primarily benefit the member countries of the Organization of Eastern Caribbean States (OECS) - namely, Antigua and Barbuda, the British Virgin Islands, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines - and Barbados, and will assist in alleviating the shortage of skilled upper and middle level managers by enhancing delivery of management education, training, research and consulting services to the private sector in the Eastern Caribbean.

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

A. Source and Origin of Goods and Services

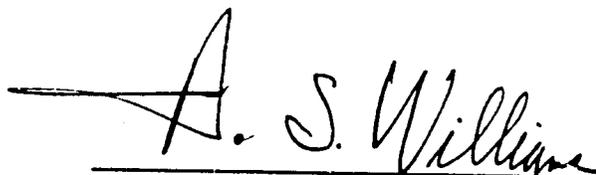
Goods and services, except for ocean shipping, financed by A.I.D. under the Grant shall have their source and origin in A.I.D. Geographic code 000 (United States), and with prior A.I.D. authorization, the following member countries of UWI: Anguilla, Antigua and Barbuda, the Bahamas, Barbados, Belize, the British Virgin Islands, Dominica, Grenada, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. Ocean shipping financed by A.I.D. under the Grant shall be financed only on flag vessels of the United States, except as A.I.D. may otherwise agree in writing.

B. Conditions Precedent to Disbursement

Prior to disbursement of funds in the second year of the Grant, the Grantee will, except as the parties may otherwise agree in writing, provide A.I.D., in the form and substance satisfactory to A.I.D., evidence of the establishment of a Fund, including terms and conditions thereof, for continuing private sector contributions for the CMD, and evidence of an inaugural contribution from the Eastern Caribbean private sector community; the inaugural contribution may be either tied or untied to provision of future services for the Center.

C. Covenants

By not later than March 31, 1991, the Grantee shall submit to A.I.D. a Plan for generating a Fund which specifies strategies to solicit contributions to the Fund from the private sector community in the Eastern Caribbean with a view to obtaining at least \$250,000 over the amended Project life and not tied to the provision of those services identified as sources of revenue to meet the operating costs of the project. Annually thereafter for the remainder of the Project life, the Grantee shall submit a report to A.I.D. specifying the amount of contributions made to the Fund for the previous year, the actual and intended use of such contributions, and the Grantee's plans to continue, modify and/or expand its program of solicitations.



Aaron S. Williams
Mission Director
Regional Development Office/Caribbean

8/31/90

Date

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I. SUMMARY AND RECOMMENDATIONS

A. Recommendation

RDO/C recommends that an education and Human Resource Development (EHRD) grant of \$3,224,100 be authorized, of which \$455,000 is proposed for obligation in FY 1990, for Amendment Number One to the Regional Management Training Pilot Project (follow-on phase). Further, it is recommended that the name of the project be changed to Regional Management Training Project and the purpose be changed to: to assist in alleviating the shortage of skilled upper and middle managers by enhancing delivery of management education, training, research and consulting services to the private sector within the Eastern Caribbean. The revised Project Assistance Completion Date (PACD) will be December 31, 1995. The Project will continue to be headquartered at the Cave Hill campus of the University of the West Indies (UWI).

The original Project Authorization specifies that, except as A.I.D. may otherwise agree in writing, goods and services financed by A.I.D. under this Project shall have their sources and origin in the United States and any member country of the University of the West Indies. The Project Authorization Amendment specifies that goods and services must be procured from the U.S. unless specifically authorized by A.I.D.

B. Summary Project Description

The Regional Management Training original Project was authorized on July 24, 1986 with an estimated total USAID life of project (LOP) contribution of \$2.7 million. The Grantee was the University of the West Indies, Cave Hill campus and the beneficiary countries were Barbados and the member countries of the Organization of Eastern Caribbean States (OECS) - Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. According to the Pilot Project Paper, participants from other UWI member countries of Anguilla, the Bahamas, Belize, the British Virgin Islands, Cayman Islands, Jamaica and Trinidad and Tobago were permitted to participate in the project.

The design of this amendment is based upon lessons learned from the Pilot phase of the Project. The Grantee, the University of the West Indies/Cave Hill, will remain unchanged. The primary beneficiary countries for Phase II of the Project will be the member countries of the Organization of Eastern Caribbean States (OECS) - namely, Antigua and Barbuda, the British Virgin Islands, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines - and Barbados. The purpose of the amended project is to assist in alleviating the shortage of skilled upper and middle level managers by enhancing the delivery of management education, training, research and consulting services to the private sector in Barbados and the Eastern Caribbean.

Over the five-year extension, the project will continue to deliver high quality, cost-effective management training to senior executives and managers in Barbados and the Eastern Caribbean. The amendment will establish a Center for Management Development which will deliver quality services to the private sector, including innovative management seminars, consultancy services, an Executive MBA (EMBA) program, instructor development programs for management training institutions and research on topics of business or economic interest to the region. Additionally, the Center will promote coordination and collaboration among the private sector, the University of the West Indies and other regional management training and development institutions. This Center will be fully self-financing by the end of five years, i.e., by the extended PACD of December 31, 1995. The amendment will also strengthen the Department of Management Studies through long-term and short-term staff training, development and revision of undergraduate and graduate courses, development and procurement of materials, and the procurement of computer and audio-visual equipment.

This amendment provides an additional \$3.2241 million in USAID grant financing. This brings the total amount of USAID financing for this project to \$5.9241 million. The project is being extended for another five years for a total life of project of nine and one-half (9 1/2) years.

II. PROJECT RATIONALE

A. Rationale/Link with the Pilot Project

1. Economic Development Needs

Although the member countries of the Organization of Eastern Caribbean States (OECS), with the exception of St. Vincent, have experienced growth rates from 4 to 8 percent since 1985 (RDO/C Regional Development Strategy Statement FY 90-94), there still exist serious constraints to rapid economic development of the countries in the region. Past growth was due largely to export of traditional crops, large inflows of foreign capital in the form of foreign development assistance, and, in some cases, tourism. However, these countries now face the reality of reduced sugar quotas, economic stagnation in their most important regional markets and the potential elimination or alteration of the preferential purchases of their bananas by the United Kingdom beginning in 1992. Future growth in the region will depend, to a large extent, on innovative responses to the changing international market to which these economies are inescapably linked.

Private sector-led economic diversification will, of necessity, underpin any substantial increases in Caribbean economic growth. The region possesses many of the elements needed to attain this objective: a well educated work force, proximity to U.S. markets, historical ties to European markets and political

stability. There is potential to achieve economic growth through diversification of their economies, but the countries of the region are likely to achieve that potential only if they introduce into their approach to economic development the following: greater preparedness to take risks and to enter into potentially high-return areas of endeavor; a vision of international competitiveness (especially in the export and tourism sectors); and a readiness to break away from export crops and products that made eminent sense in the past, but which now make the countries extremely vulnerable to the dynamics of international markets.

Because of the private sector led growth strategies adopted by the countries of the region, private sector managers can play an important catalytic role in introducing these qualities into the economic development and business development thinking of public and private sector decision-makers. To play that role, however, private sector managers, themselves, must be trained to levels of management effectiveness that make them competitive with their counterparts in North America, Europe and Asia.

A 1985 assessment by the Caribbean Association of Industry and Commerce (CAIC) and a similar assessment funded by RDO/C of the need for management training in the region both revealed that the economies of the region were seriously constrained by the lack of an adequately trained cadre of top managers. (See original Project Paper) The shortage of trained managers is widespread. The conclusions of these studies remain relevant today, as no significant expansion in training services in the Eastern Caribbean region has since occurred.

While the region has several organizations that offer management education and training programs for managers at various levels of responsibility, there has historically been a noted lack of institutional capacity to offer the kind of senior management training needed to impart the leadership skills that the economic development needs of the region demand. Additionally, the University of the West Indies/Cave Hill, which is a major provider of management education at both the undergraduate and graduate levels, has in recent years been unable to respond to the growing demand for Bachelors of Science and Graduate Diploma degrees in Management Studies. This has been due to the limitations of faculty, teaching space and relevant equipment, materials and supplies.

2. RDO/C Strategy

The RDO/C Regional Development Strategy Statement (RDSS) for FY 1990-1994 has private sector led development at its core. The goal is to stimulate economic growth throughout the Eastern Caribbean by "developing a mutually-reinforcing set of vital, viable and sustainable private sector and private sector-supporting institutions and governmental policies." This Project is

designed to develop a management education and training capability that is not only vital, viable and sustainable, but in keeping with the goal of the RDSS, will address development needs in the private sector, and some areas of the public sector.

After citing the shortage of enterprise financing as the first major constraint to private sector development, the RDSS argues, "The second major constraint to private sector development in the region is the lack of business and marketing skills affecting firms of all sizes, from micro-enterprises to the large established merchant houses." The RDSS further states, "There is universal call in the region for more training opportunities at all levels, from youth training programs to management seminars conducted for senior executives. The lack of business skills is closely connected to the shortage of enterprise financing." The need for a wide range of business training, including management training to alleviate a major development constraint in the region, is, therefore, fully recognized in the RDSS.

The Small Enterprise Assistance Project (538-0133) seeks to redress the shortage of credit and technical management assistance and training to micro, small and medium sized enterprises. The RDSS recognizes the need for a complementary effort aimed at providing more focused management training to promote expansion of, and innovation and efficiency within, the private sector. A sustainable capacity to respond to this is vital for short- and long-term development of the private sector, and to support the strategy pursued by RDO/C.

The Pilot Phase of the Project tested a number of interventions aimed at improving management skills, particularly in the private sector. This Project Paper Amendment Number 1 provides for a follow-on activity to build on the experience of the Pilot Phase. In doing so, the Project will not only broaden its support to the RDO/C development strategy, it will address two of the four pillars of AID's development efforts - support for the private sector and institution building. The Project also conforms to AID's Policy Papers on (a) Basic Education and Technical Training, (b) Private Enterprise Development, (c) Institutional Development and, (d) Recurrent Costs.

3. Other Donors

The European Economic Community (EEC) provides specialized management training, as required, as a component of its broader programs which have the objective of Export/Trade and Tourist Development. The persons trained under the tourist and export development programs are a mix of private and public sector individuals involved with such activities. Other management training provided by the EEC is primarily directed to the public sector.

The Canadian International Development Agency (CIDA) training programs similarly focus on the public sector. Under the Eastern Caribbean Management project, CIDA provides training across a broad spectrum of areas, wholly in the public sector. In St. Lucia, as an example, it provides training both local and abroad to the Inland Revenue Department. In St. Vincent, CIDA is assisting in public administration reforms and in St. Kitts auditing training is being funded.

The UNDP's various on-going and planned management training programs focus on the public sector. These activities are concentrated in providing management help in such traditional governmental areas as tax and customs administration, investment planning and personnel management. As with the other major donors in the Eastern Caribbean, assistance to middle and senior private sector managers is only at the margins of the UNDP's training program.

4. Results of the Pilot Phase

The Pilot phase of the project was initiated in July 1986. Planned as a 30-month effort, the original Project Assistance Completion Date (PACD) was January 31, 1989, but was subsequently extended to July 1990. The Mission is considering a further extension to December 31, 1990 to allow for completion of several on-going activities. The initial AID contribution to the project was \$2.7 million.

The Grantee for the Pilot Project was the University of the West Indies at Cave Hill. To implement the Project, a Project Implementation Unit (PIU) was established at UWI/Cave Hill, and was staffed by two locally contracted professionals. These professionals were assisted by two expatriate professionals from Arthur D. Little, Inc., under a host country contract with UWI/Cave Hill.

The Original Project Paper summarized the Pilot Phase as follows:

"The Regional Management Training Pilot Project is designed to experiment with a number of management education and development /interventions' focused mainly on the private sector in order to identify those which would have the greatest impact on economic growth in the Eastern Caribbean. As a secondary purpose, the project aims to enhance the training capabilities of the regional institutions currently involved in management education activities. The objective of this experimentation and institutional strengthening is to determine whether a long-term project of selected training programs would be feasible and, if so, what its nature and content would be. The target groups are private enterprise owners, senior and middle level managers of large enterprises, and owners of medium to small enterprises in

the OECS countries and Barbados. In addition, there will be included an appropriate number of parastatal, government and labor officials whose responsibilities cause them to be concerned with industrial growth, productivity and efficiency."

RDO/C contracted with Pragma Associates to conduct a concurrent (March 1988 to March 1989) process evaluation of the Project. Pragma's Final Evaluation was completed in March 1989. The conclusions of the Final Evaluation were as follows:

- (a) There was strong support for senior and executive development programs;
- (b) Participants were willing to pay an increasing share of the training costs and full airfare, room, and board;
- (c) Executive participants were willing to send their senior managers to the seminars;
- (d) A large number of Eastern Caribbean cases was developed;
- (e) There was only marginal support for the case writing and teaching workshops;
- (f) Virtually no changes have yet been realized in the use of action-oriented teaching approaches, including case studies;
- (g) Although the pilot project has forced an uneasy marriage between the leading members of the management education and training community, it did not contribute to any institutional strengthening of UWI, BIMAP or CARICAD.

Based on the experiences of the Pilot activity there appears to be a strong need and demand in the region for management training and education. During the Pilot activity, participants demonstrated a willingness to pay for the actual operating and residential costs of the courses. Further, during follow-up interviews, executives expressed a strong desire that the type of training offered under the pilot should be continued, implying a future demand for these courses.

Based on UWI's continuing experiences with its undergraduate and graduate programs, the demand for management education is definitely strong and growing. For the BSc program in Management Studies, the ratio of applicants-to-acceptances is five to one. For the graduate Diploma program in Management Studies the ratio is even higher - seven to one.

Based on discussions with a wide cross-section of private sector representatives in the Eastern Caribbean, demand is strong in this region for an Executive MBA degree similar to the one instituted last year at UWI/Mona (supported by a USAID-funded Management Education project). There, annual enrollment is about 25 students, but entrance applications recently exceeded 200.

The experiences of UWI/Cave Hill and UWI/Mona with respect to their non-degree, undergraduate and graduate programs in Management Studies are a good proxy for effective demand for management training and education in the Eastern Caribbean business community. Against this backdrop, the Pragma, Inc. evaluation team concluded with the following recommendations:

- o First priority should be given to upgrade the undergraduate program at Cave Hill;
- o Allow UWI/Mona to take the lead in a regional MBA program and UWI/Cave Hill can "buy-in" to it;
- o Collaborate and coordinate with UWI/Mona's Executive MBA Program;
- o Reexamine the need for an MBA program in the Eastern Caribbean towards the end of any follow-on project;
- o Strengthen both UWI and BIMAP's ability to identify needs, design and deliver short courses to executives and senior managers, including specific business techniques and skills.
- o Design and fund a 5-year follow-on project to support short-term management and skills training courses, to provide training in service for full-time faculty of UWI and BIMAP to strengthen those institutions, and to branch out into providing follow-on consultative assistance to businesses, possibly with CAIC taking the lead.

These recommendations serve as the fundamental basis for the design of the follow-on project phase. To obtain as current a view as possible of the needs to be addressed by the follow-on Regional Management Training project, the Design Team consulted in Barbados and St. Lucia with officials of UWI/Cave Hill, Caribbean Association of Industry and Commerce (CAIC), Barbados Institute of Management and Productivity (BIMAP), Caribbean Center for Development and Administration (CARICAD), Organization of Eastern Caribbean States (OECS), various national Chambers of Commerce and many private business persons; and in Jamaica with officials of USAID/Jamaica, UWI/Mona, the Pennsylvania State University technical

assistance team, and members of the Board of Directors and the Business Advisory Committee of the newly established UWI/Mona Institute of Business (IOB).

Through deliberations of the Project's Consortium of Management Development Institutions in the Eastern Caribbean, made up of representatives from UWI/Cave Hill, CAIC, BIMAP, CARICAD and OECS, and through the Consortium's dialogue with RDO/C, a proposal emerged for the establishment of a Center for Management Development (CMD). The CMD was conceived as a semi-autonomous institution of UWI/Cave Hill that would provide management education and training and consulting services to the countries of the Eastern Caribbean. It would also serve as a critical link between the private sector in the Eastern Caribbean and the University's Department of Management Studies (DOMS) to help ensure the relevancy of DOMS programs (courses/curricular and extra-curricular activities) and staff to realities in the private sector.

In development and consideration of RDO/C's Concept Paper for the follow-on phase, establishment of the CMD was adopted as a principal objective of the project. A second objective deliberated is institutional strengthening of the UWI/Cave Hill Department of Management Studies (DOMS).

B. Project Objectives

1. Goal and Purpose

The Goal of the amended Project is to promote broad-based economic growth in the Eastern Caribbean by strengthening the private sector's ability to contribute to increased production and productivity in the key economic sectors of agriculture, tourism, manufacturing and services.

The purpose of the amended project is to assist in alleviating the shortage of skilled upper and middle managers by enhancing delivery of management education, training, research and consulting services to the private sector within the Eastern Caribbean.

In pursuance of this purpose, the Project will develop a Center for Management Development (CMD) at the UWI/Cave Hill and, secondarily, upgrade the faculty and curriculum of that university's management education programs and services. The Center will be a semi-autonomous institution of the UWI, and will serve as the keystone in the arch which connects the University and the private sector through the provision of important management training programs and services in the Eastern Caribbean. The CMD, directed by a large private sector management board, will collaborate with the operations of the USA Jamaica-funded UWI/Mona Institute of Business (IOB) and will also work with the UWI/St. Augustine, Trinidad Institute of Business, also currently under development. Both UWI/Mona and UWI/Cave Hill expect, in the long-run, to evolve

their institutions (IOB and CMD) into a School of Business to serve the needs of business in their respective regions. This approach follows the model of U.S. universities, which have upgraded university programs, developed Institutes of Business and Economic Research, and developed semi-autonomous centers to respond to the management training needs of the business community. The proposed Project will, therefore, be assisting UWI to accelerate the development and implementation of a program to which it is already committed, which has counterparts on other UWI campuses and which is based on a model that has worked successfully in the United States.

2. Expected Accomplishments (EOPS)

This follow-on activity will be implemented over a five-year period. It will benefit from, and build on, the achievements of the Regional Management Training Pilot Project (538-0148), and will address those limitations in the Pilot which were identified in the evaluation reports for that project. Accordingly, at the end of the Project, the following will have been accomplished:

- The delivery of high quality, cost-effective management training programs to top and middle Eastern Caribbean managers;
- Strengthened undergraduate and graduate courses offered by the Department of Management Studies at UWI/Cave Hill;
- An established Center for Management Development at UWI/Cave Hill organizing and delivering quality services to the Eastern Caribbean private sector, including innovative management training seminars, consultancy services, an Executive MBA (EMBA) program, instructor development programs for other management training institutions, research on topics of business or economic interest to the region and effective communication and interface between the private sector, the University, and other regional management training and development institutions;
- More women will consider and will be considered by top management as important participants in management development in the Eastern Caribbean.

3. Project Outputs

Project outputs fall into three broad categories: specific beneficiary outputs, program outputs and institutional outputs. These are summarized in Table 1.

Specific beneficiary outputs are attendees and graduates from executive training seminars/symposia (6 per year); Bachelor's of Science degree (BSc) and Executive Masters of Business Administration degree (EMBA) graduates in Management Studies (up to 1000 persons); Masters of Science (MSc) and Doctorate of Philosophy (PhD) graduates from participant training programs (6 person total); and specific clients of CMD consultancy and research activity (private enterprises, staff or other management training/education institutions and public agencies).

Program outputs are the two academic degree programs to be strengthened/developed (BSc and EMBA); top level management seminars/symposia (6 per year for 5 years); and the products of consultancy, research and materials development activities.

Institutional outputs are establishment of the CMD, a stronger DOMS, and an upgraded capacity and closer coordination/collaboration among other management training and educational institutions in the region.

TABLE 1
SUMMARY OF PROJECT OUTPUTS

Outputs for Beneficiaries

- 600 senior executives and managers graduated from seminars and symposia designed to promote leadership among private sector managers
- Hundreds of lower level managers receiving improved training from other institutions in the region
- An initial 20 EMBA students graduated from UWI
- 600-1000 undergraduates from UWI who have improved skills and are able to provide the leadership for Eastern Caribbean businesses and government upon graduation and for the future
- A number of research/consulting activities sponsored by CMD in response to market demand and carried out by DOMS faculty and other consultants
- 2 DOMS faculty trained to the PhD level
- 4 DOMS faculty trained to the Masters level

Program Outputs

- BSc and diploma curriculum at DOMS upgraded and made more responsive to the practical skill needs of the Eastern Caribbean

- An EMBA program adapted from UWI/Jamaica and modified for the Eastern Caribbean
- 9 symposia and 18 seminars delivered to top and middle managers in the Eastern Caribbean.

Institutional Outputs

- A strengthened DOMS with an improved organizational identity and institutional character providing quality services to its students and their employers
- A CMD established, with a private sector dominated Board of Directors, and delivering quality training, research, and consultative services to businesses as well as to other management training institutions
- 40 professional and 40 trade journals purchased and available in UWI library
- 6 textbooks and 15 course manuals developed
- Computer and audio-visual equipment available for DOMS use
- Improved management training throughout the region, including the adoption of more proactive teaching techniques.

III. PROJECT DESCRIPTION

There are two components of Phase II of the Regional Management Training Project: (1) establishing and developing the Center for Management Development which will deliver high quality training, an EMBA program, research and consulting/technical services to the private sector and other management training institutions in the Eastern Caribbean; and (2) strengthening of the faculty, undergraduate Bachelor's of Science (BSc) and graduate courses offered by the Department of Management Studies of the UWI/Cave Hill.

A. Center for Management Development (CMD)

1. Establishment of the CMD

The Center for Management Development will be established by UWI/Cave Hill as a semi-autonomous unit within the University. Development and formal adoption of a charter or other appropriate instrument by the University is specified as a Condition Precedent in Section VIII, Special Conditions. The Center will operate under the policy direction of its own Board of Directors, the majority of whose members will be from the private sector. UWI will invite and encourage the following University, private and

public sector representatives to serve as members of the Board:

- Principal, UWI/Cave Hill
- Director General, Organization of Eastern Caribbean States (OECS)
- Executive Director, Caribbean Association of Industry and Commerce (CAIC)
- Executive Director, Barbados Institute of Management and Productivity (BIMAP)
- 5 Other Private Sector representatives

In addition, the Director, Center for Management Development and Head, Department of Management Studies, UWI/Cave Hill will be ex officio members of the Board.

The Board of Directors will:

- (a) Give general direction to the development of sound management education and training policy, practice, and training standards of the Center;
- (b) Identify and/or explore the need for developing management education and training programs to meet the needs primarily, though not exclusively, of the private sector in the Eastern Caribbean; and the needs of parastatal public sector organizations and operations that impact directly on the private sector will be considered, as appropriate;
- (c) Seek private sector and donor agency funding for the programs and activities of the Center;
- (d) Promote cooperation between the Center and the private and public sectors to facilitate the work and objectives of the Center;
- (e) Provide region-wide leadership in fostering an environment of greater mutual respect and willing interdependence between the University and the private and public sectors;
- (f) Identify collaborative technical assistance arrangements for promoting and extending the reach of the Center's work.

A first priority action of the newly formed Board will be the development of policies and procedures that will guide the Board and govern the CMD's operations. These policies will include the composition and duration of membership, and will include the duration of the tenure of the chairperson. The Board will develop a detailed Plan of Action that will incorporate those activities to be funded by UWI and AID, as described in this Project Paper Amendment.

Since the Board will be composed of persons representing a range of interests in the area of management education and training, it is expected to carry out a formal strategic planning exercise, using a professional facilitator to guide and enhance the process. Although the time demands on these high level executives are rigorous, this exercise should be carried out in retreat format, away from the work places of all involved. An important by-product of this planning process will be the commitment it elicits from the members of the Board. It will also provide the foundation for a cooperative, team-oriented approach to meeting the challenges of developing and delivering management education and training programs to all the countries of the Eastern Caribbean.

A second priority will be the establishment of a Reserve Fund. While contributions to this fund may be tied or untied to provisions of future services from the Center, it is expected that the Board will devise a strategy for fund raising which will provide an average of US\$50,000 of untied funds annually over the five year life of the project or a total life of project amount of US\$250,000. This untied Reserve Fund will provide a margin of safety to meet any shortfalls in projected revenue which may arise during project implementation. The fund may also be used to finance the expansion of income generating services of the Center.

Another priority of the Board will be the conduct of detailed assessments of the demand and supply of management training services throughout Barbados and the OECS region. These assessments will provide the basis for the Board of Directors and the executive staff of the CMD to formulate a more targeted program. The assessments should also provide a foundation for CMD to broadly understand its clients and to build effective relationships with other institutions currently servicing the private sector. As such, conducting demand and supply assessments will become an important institutional development instrument for the CMD, although the detailed work will be carried-out by consultants. The assessments are necessary since much of the detailed information available on the demand for management training and education was collected and published over five years ago, is Caribbean-wide and provides little specific insight into training needs in the Eastern Caribbean.

Other priorities will include development and initiation of (a) a detailed Marketing Strategy to broadly solicit private sector support to the CMD in the form of participation in its programs and direct contributions to the Reserve Fund and (b) a Management Information System to guide data collection activities, provide the necessary basis for project evaluation and assessment of progress towards CMD sustainability.

2. Program Activities

Principal program activities of the Center will include: (a) symposia and seminars, (b) an Executive Masters in

Business Administration (EMBA) Program, (c) contracted research and consulting services, (d) materials development and (e) support to collaborative management training institutions. Each of these activities is discussed briefly below.

a. Symposia and Seminars

Symposia of the type organized and conducted under the Pilot phase of the project will continue for business owners, top professional managers, and selected public sector and union officials to provide a forum for exposure to and discussion of management and other business issues that are central to the economic development of the countries of the Eastern Caribbean. Demand and value of these exercises to the business sector were demonstrated during the Pilot Project.

Seminars of the type organized and conducted under the Pilot phase will continue for upper and middle-level managers and owners of medium-sized and small companies. These will continue to focus on developing specific tools needed to make companies more productive, efficient, cost-effective and competitive.

The symposia and seminars will be marketed to all private sector, and selected public sector, executives in the region, with special attention to businesses in the tourism, manufacturing and agriculture sectors. Programs will be marketed through personal contact, written invitation, and newspaper and radio advertising. The courses will focus on improving production and productivity, human resource development, and other areas identified by the needs assessments.

The normal size of an executive training seminar should average 20 people. With about 6 seminars/symposia a year, once the Center's activities are fully operative, up to 120 executives and middle managers will benefit from the project each year. During the life of the project a minimum of 600 managerial personnel from private enterprises and appropriate public organizations will benefit. As previous experience has indicated, many beneficiaries will enroll in more than one seminar. Less directly, those managers trained by institutions in the region which have received technical assistance from the CMD to train trainers and develop more effective training materials will also benefit. A secondary beneficiary of the project will be the organizations in which the trained executives and managers work.

b. Executive Masters in Business Administration (EMBA)

CMD will develop, market and present a two-year EMBA program for persons presently working as managers in the private sector, or persons not employed as managers but who hold a Bachelors degree or Diploma and who would like to obtain a higher

professional qualification. That combined market is estimated by the University to be 400-500 persons and growing.

CMD will contract University faculty (initially from all three UWI campuses - Jamaica, Barbados, and Trinidad and Tobago) to teach the courses in the program, which will probably be presented on weekends (Friday afternoon and Saturday) or at other times mutually convenient to students and faculty beginning in Year 4 of the Project (or earlier, with AID concurrence). Each year of the program will be comprised of six courses of 45 contact hours each. Students from Barbados and the OECS islands should be able to attend with company support in the form of time-off (an estimated 18 Fridays per year if conducted on weekends).

This program will be developed and offered in response to assessed market demand for a target group of junior, middle and senior managers in private companies and public organizations throughout the Eastern Caribbean. Demand for such a program will be determined as an element of the management education and training needs assessment to be conducted during the first year of the project. Further, the Center, through the work of its core staff, and with the assistance of consultants as necessary, will examine the options for ensuring that the program is available, and can be offered on a cost-recovery basis to managers outside Barbados. Further this program will be initiated with the support of upgraded DOMS staff upon their return from educational programs (see Strengthening of DOMS component, discussed below), and will only be initiated if the needs assessment and later feasibility study indicated that the program could operate on a cost-recovery basis. Anticipating that there will be sufficient demand and that the program will be feasible, this Project Paper Amendment provides for the possibility of initiation of this activity in Year 4. Opportunities for an earlier start (e.g. year 2 or 3) will be considered, including the possibility of a pilot offering in Barbados.

c. Contracted Research and Consulting Services

The CMD will market research and consulting services in response to market demand. This service will, in part, be a follow-on to training services provided and will assist companies in implementing reforms and other measures identified during training courses. The experiences of the Pilot Project suggested the need for such follow-up consultancies after seminars and symposia. The Center may also provide consulting services to management training institutions and consultants in order to promote innovation and improvements in the development and delivery of training services throughout the region. Additionally, the Center may respond to specific research and consulting needs not related to training, e.g. by contracting to undertake studies on (a) the viability of agro-processing operations in the Caribbean, (b) marketing of Caribbean goods and services in the international community and (c) the effects of specific international trends or developments on particular Caribbean products.

Those services carried out in response to market demand will be provided for at a market-competitive fee and will be conducted through contracts with the Department of Management Sciences faculty and with private sector consultants and organizations.

d. **Materials Development and Related Training**

Case Writing. The Pilot Phase of the Project conducted a series of case writing workshops which trained a number of case writers and which led to the formation of a Case Writers' Association. The Association has a five-year plan for the writing, publication and dissemination of cases. Phase II of the project will continue support to training in case development. One case writing workshop will be held annually beginning in Year 2 of the project for management trainers and consultants from UWI/Cave Hill and other management training institutions in the region. Approximately 20 persons will participate in each workshop for a total of about 80 participants. Additionally, the project will provide funding to carry out an inventory and to develop a descriptive directory of existing Caribbean management training cases, and to reproduce and distribute those cases produced by the training workshops.

Teaching Workshops. In order to promote the use of cases and other interactive methods in management training, the teaching workshops initiated in the Pilot Phase will continue. The workshops will be designed around participant experience in delivering management training and will focus on those changes which can be immediately implemented by participants. Three workshops will be undertaken, one in Year 1, another in Year 3 and the final in Year 5 of the project. Participants will be drawn from UWI/Cave Hill and other management training institutions in the Eastern Caribbean. About 20 persons will participate in the three workshops for a total of about 60 persons by the PACD.

Manuals and Textbooks. The Center will prepare a number of manuals to assist in training and consultancy. These manuals will, for example, cover (1) specialized areas in management, including those related to seminars, symposia and the EMBA program, (2) case development and use and (3) management training techniques.

The Center will develop six textbooks to fill the gap which currently exists for such texts in the management training programs of UWI and other management training institutions. Textbook needs have been identified in project-related priority areas such as Principles of Management, Marketing, Production/Operations Management, Tourism Management, Retail Management, and Export Management. Textbooks to be produced will contain relevant local coverage, introduce descriptions of the local business environment and practices, and emphasize Caribbean examples.

The project will employ a full-time Materials Development Specialist for the first four years of the project. This Specialist will (1) research and develop cases and other materials for publication, (2) provide guidance and training to UWI and CMD staff in the development of manuals and textbooks and (3) manage the CMD program for the development of manuals and textbooks.

All textbooks, casebooks and some of these manuals produced by the Center will be offered for sale to cover the cost of production and to generate additional resources for the Center. The investment in materials development is expected to provide the Center with income of about \$50,000 annually beginning in Year 4 through the sale of books and other materials to UWI students, students and staff of other management training institutions in the region, and regional consultants and management specialists. By the end of the project, materials development will be established as an important income-generating activity of CMD.

e. Collaborative Institution Support

As noted above, a priority action for the CMD will be to conduct a survey to assess both the demand and supply side of management training services in the OECS region. The second part of the assessment - the supply side - is as vital as the first. It will entail assessing the management training delivery capability of organizations in the region. With five principal training organizations/institutions in the region and another five training organizations of lesser prominence, ten training providers will be evaluated. A detailed report will be prepared for each organization, citing strengths and weaknesses, and making recommendations for improvement. During the Pilot Project, a detailed capability assessment was conducted of UWI/Cave/Hill and a more limited assessment was conducted of BIMAP.

After the demand and supply side assessments have been completed, their findings will be matched to determine the gaps between current training demand and supply capability in the region. The assessments will provide a foundation to (1) guide the development of CMD training activities, (2) inform the allocation of any Project resources that might be used to improve overall training delivery capacity of established and emerging training organizations, (3) help avoid current overlapping and conflict of scheduling in existing training programs, and (4) help ensure that existing management education and training institutions broadly support the goal and objectives of the project.

Currently, most management training and education programs are only available in Barbados and Trinidad. A major priority of CMD, therefore, will be conducting programs throughout the region. However, an anticipated obstacle is that there are very few logistical support organizations on the other islands. To address this problem, the supply assessments will include an investigation to determine which of the existing institutions or

other private agencies could act as CMD satellite training centers on the islands. Once these satellite centers are identified and have agreed to the local logistical support arrangement, they would be assisted by the Project to strengthen their own training capacity. This assistance will include training of trainers, and provision of limited training supplies and equipment to be used by their own trainers and by CMD trainers/consultants carrying out training activities on the island. Establishment of the satellite center agreements should also allow, not only the Center, but also other private sector training organizations such as BIMAP and CAIC, to extend more of their programs to the less accessible islands.

The estimated cost of the collaborative institutional support element is \$255,000. This amount will be programmed by the CMD with AID concurrence primarily in response to the findings of the training needs and supplier capability assessments.

3. Operational Support

a. Staff and Consultant Services

The CMD will package and market the high-quality, cost-effective management training programs envisioned in this Project. To maximize its long-term sustainability potential, the CMD will need to operate with a level of staff resources and facilities that will enable its programs to operate on a full cost-recovery basis as soon as possible. Based on analysis and projections during design of this amendment, CMD should be sustainable by the fifth year of the project. During the first four years, the Project will partially finance its programs, so as to make a smooth and effective start-up possible. This is essential because the new Center will have to establish itself convincingly as an efficient and fully professional service organization if it is to achieve the leadership status envisaged for it in this Project.

The Center will operate with a small, core (permanent) staff that will administer the program activities approved by the Board of Directors. Staff will consist of a Director, a Deputy Director/Training Administrator, an Administrative Assistant and a Clerk/Typist. As noted above, this core staff will be augmented for the first four years of the project with a Materials Development Specialist. As materials development represents a significant development cost of the Center, this position will be fully supported by the project and will not incur any portion of CMD's revenues.

The core staff will also be augmented with a range of technical consultant services from UWI/DOMS staff and the private sector to carry-out the various programs of the CMD. In the first year of the Project, CMD will contract for the following

activities, designed to improve and expand management education and training in the region:

- Conduct of a 2-3 day strategic planning exercise to assist the CMD's Board of Directors to develop an Action Plan for the Center's operations;
- Conduct of a management education and training demand assessment for the region;
- Conduct of an assessment of the supply of management education and training capacity in the region;
- Conduct of a study to identify organizations throughout the region that may be capable of becoming satellite training centers to the University or to region-wide training organizations, and to determine whether such satellite training operations would effectively expand and improve the delivery of training services especially in those countries, or in remote areas of all countries, that are not well-served by existing training programs;
- Development and implementation of a marketing strategy;
- Development and delivery of basic and advanced training of trainers courses for instructors of established and emerging management training organizations throughout the region.
- Development of a variety of teaching materials and the conduct of training sessions in their use.

b. Equipment, Materials and Supplies

The CMD will acquire the office furnishings and equipment procured for the Project Implementation Unit during the Pilot Phase of the project. It is, therefore, anticipated that the additional office equipment needs of the Center will be minimal. However, in order for CMD to provide the services identified to the management and management training community and fulfill the leadership role envisioned, the project will provide limited materials/equipment support.

For example, the Center will require equipment and supplies which can be used in support of management training and consultancy services, primarily, though not exclusively, off campus. This includes reference materials relevant to the delivery of short courses and consultancies, video tapes and other training aids and portable training equipment.

For the materials development element, the Center will be provided with desktop publishing facilities. These will be used in developing and modifying manuals, textbooks and case

studies. It may also provide CMD with another potential income generating service to be provided to the university, business and management training communities.

Finally, in recognition of the increased utilization of computer technology in management training, CMD will be provided with 10 laptop/portable computers for use in training sessions in the OECS countries. The usefulness of portable computer technology was demonstrated during the Pilot activity through use of rented equipment.

4. Advisory Body

The University of the West Indies is desirous of networking and establishing programs with other universities, particularly those in North America, in the area of management studies. Consequently, the Project will establish an Advisory Body for the CMD comprised of respected academicians in the field. This Body will be analogous to the system utilized by UWI known as the External Examiners. External Examiners are illustrious academicians who are internationally recognized as experts in their chosen fields. These persons serve as the final arbiter in the content of curricula, examination questions and examination works. As there are three campuses of the UWI, the External Examiners work with all the professors in each discipline on a regular basis. They visit the region and conduct seminars and courses. They also often sponsor academics from UWI to visiting professorships at their universities. Thus the establishment of an Advisory Body will not only benefit the development of the CMD, it will continue a tradition already in widespread use at UWI.

5. CMD Sustainability

A primary criterion for the design of the follow-on phase of the project is the sustainability of CMD. During the first four years of CMD's operations, the project will finance all of the identified development costs plus that portion of the Center's operating expenses that is not covered by income generating activities, i.e., the deficit. The Center will have to operate on a full cost-recovery basis beginning at the start of Year 5, and no AID contribution will be required for financing of CMD operations or programs. The University's in-kind contributions are expected to continue, providing office space, utilities and broad administrative support such as finance administration and procurement services. The Center's Director and Board will make every effort to raise funding from private sector resources - including payment of fees for training and/or consulting services and contributions from companies capable of providing such support. It is expected that the Board will devise a strategy for fund raising which will provide an average of US\$50,000 of untied funds annually over the five year life of the project or a total life of project amount of US\$250,000. This untied Reserve Fund will provide a margin of safety to meet any shortfalls in projected revenue which may arise

during project implementation. The Fund may also be used to finance the expansion of income generating services of the Center.

Details of the cost structure are presented in Section VII.B., Financial Analysis, and in Annex J, Detailed Financial Analysis and Budget. Following are the highlights of that analysis. It should be noted that the budget presents only the most conservative estimate of income generated by the Center. However, it is anticipated that most of the income generating activities can be expanded to increase gross income from the Center's activities and that, as was the case in the Pilot Project opportunities may be successfully pursued for reducing the expenditure associated with the delivery of many of the planned activities. These combined measures will lead to greater net income for the Center and make it more firmly self sustaining earlier than Year 5. Increased net income will also permit the expansion of the type of services offered by the Center with the prospects of further increasing the revenue base of the Center. Additionally, the \$250,000 expected to be generated from untied contributions to a Reserve Fund is not programmed in the project. As explained below, the Fund is intended principally to provide an added margin of safety for project sustainability but can be programmed for the expansion of services and the earlier achievement of sustainability.

o Management Training Symposia and Seminars

Three events will be conducted in Year 1 and six each year thereafter. Each event will have about 20 participants paying about \$625 each, generating gross income of about \$12,500. These activities will be conducted at UWI and at satellite centers or hotel locations throughout the region. They will be presented by instructors from UWI, the regional private sector and guest speakers from overseas. The cost to produce each event is about \$8,750, yielding an estimated net income of \$3,750 per event.

The total potential market for these activities is estimated to be 500-600 senior executives and managers from throughout the region. After Year 1, approximately 120 participants per year are expected to take these courses.

o Executive Masters in Business Administration (EMBA)

With 20 students paying a tuition of \$5,000, the EMBA program will produce gross income of \$100,000 in its first year. It is estimated that in subsequent years, the program will have 40 participants per year, generating gross income of \$200,000. The program will incur a delivery cost of \$4,000 per course (of which six per year are offered), total delivery cost of \$24,000 in the first year, and \$48,000 per year in subsequent years. This yields a net income for the E-MBA of \$76,000 in the program's first year (conservatively estimated to be no later than Year 4 of the Project), and \$152,000 per year in subsequent years. On the basis of these income projections, the venue for weekend sessions could be moved from one Eastern Caribbean island to another if demand required it.

o Research and Consulting Services

CMD will charge market rates of approximately \$400 per day, with the objective of selling at least 12 person days in Year 1 and at least 36 person days per year in subsequent years. It will contract with UWI faculty and private sector sources to deliver these services, paying them about \$200 per day. The marketing support costs, e.g., insurance, printing and equipment support, will be about \$2,200 per year. The net income is expected to rise from \$200 in Year 1 to about \$5,000 per year in subsequent years.

o Textbook and Materials

From the sale of textbooks and other materials developed, CMD is expected to generate revenue of no less than \$50,000 from Year 5 of the project.

o Pilot Phase Income

A total of US\$135,000 was generated from the conduct of seminars, symposia and workshops during the pilot phase of the project. An additional US\$50,000 is expected to be generated from ongoing or planned activities funded from the original grant to UWI. This local currency is being deposited in a separate account and is being programmed by joint agreement between UWI and RDO/C. Programming will support the continuing objectives of the project in accordance with the terms of the project Agreement. The availability of these funds will add an additional measure of support (e.g. capitalization) to CMD's operations, in addition to the funds provided by the project for operations during the Center's formative years. As such, these resources will help to ensure the sustainability of CMD'S operations.

B. Department of Management Studies

This component of the Project focuses on upgrading the institutional capability of the DOMS to deliver effective and relevant management education and training programs to its students and to its trainees from the private sector. This upgrading is considered a necessary and critical element to achieving the goal and purposes of the Project, for several reasons:

- The BSc program is the primary supplier of management education for professional business career path entrants. The program is, thus, critical in the initial education and attitude formation of those who will be the middle and top management cadre of tomorrow. A balanced middle- and long-run approach to management development requires attention to this group;
- The integrated and complementary nature of the CMD institutional design requires that it rely in part, but not exclusively, on DOMS faculty, materials, experience and expertise for the delivery of cost effective, high quality training. Thus, both units of the University must develop

simultaneously. The synergy inherent in the relationship between the DOMS and the CMD means that upgrading the capability of the former contributes directly to the development of the latter;

- Since the BSc is the core management education activity of UWI, a strong, relevant DOMS is essential to enhancing the credibility of CMD activities.

The major activities and outputs planned for this component of the Project are described below.

1. Long-Term Staff Development

Two current full-time staff members will be upgraded to the PhD level and four new staff will be trained to either the Masters or the PhD level, as appropriate, to meet identified skill deficiencies in international business, tourism management and planning, marketing, finance, and management sciences (including operations, production, or management information systems). The initiation of any training is contingent upon submission by UWI and approval by AID of a training plan which will update training needs information, specify procedures to identify, select and recruit new staff for training, identify programs of study and indicate universities at which the participants might be trained. This training is viewed as institutional, not just individual, development. Therefore, the expectation is that a variety of universities will be used for this training, so as to give the DOMS faculty a more diversified management education background. All trainees will be bonded to work for UWI in a full-time post performing normal faculty duties for a period of time equal to the length of the training.

Some of the training specifics will differ for the current and the new staff. Two current faculty will begin training in PhD or equivalent business school programs as soon as the training can be initiated -in Year 1 if possible. Their programs should take three years to complete, which includes completion of the dissertation. UWI study-leave policies are expected to be applicable, and UWI is expected to provide financial support for hiring part-time replacements, and for continued payment of appropriate salary for present faculty in training. Newly hired faculty (assumed, but not necessarily) at the BSc level will be trained in relevant 2-year Masters degrees. The University will provide documented assurances of approved staffing posts for each trainee before funds are disbursed for his or her training. Two Masters degree candidates will begin training in Year 3 of the Project and two in Year 4.

The participant training programs will be managed by RDO/C in conjunction with the Office of International Training and its participant training contractor, and will be governed by Handbook 10 regulations and guidelines. Given the specificity of the training needed, the limited number of suppliers, and the as yet unknown characteristics of the new-hire trainees, costs may exceed AID's indicative participant training averages.

2. Short-Term Staff Development

Existing full-time staff members will be offered a variety of short-term training options to develop new skills, obtain competencies for teaching in new areas, undertake an internship in a business or other relevant organization, participate in consultations with colleagues at other universities, or participate in professional development programs. This assortment of short-term training options is intended to provide a diversified response to the various training needs that are necessary to prepare faculty to meet the demands of an enhanced DOMS in its support of CMD activities.

Short-term training activities will be provided for DOMS faculty and faculty from other UWI departments through programs offered outside Barbados, and through in-service training programs in Barbados. A carefully designed training plan will be developed for each participant. This plan, initiated by the individual requesting training, should justify the request in terms of the trainee's background and skills. It should specify the nature of the training and how the results of the training will be utilized by DOMS and is supportive of the goal and purposes of the Project. Finally, it should indicate the costs of the proposed training. To ensure applicability of the training to DOMS needs, the training must be negotiated with and approved by the Head of the Department. University officials indicate that approximately 30 person-weeks of training, nine persons averaging about 3 weeks each, are required. For budgeting, Advanced Developing Country Training Program cost averages for short-term training are used. All short-term regional training will be managed directly by the grantee, whereas all short-term U.S. training will be managed through RDO/C's participant training contractor and standard AID conditions will apply.

3. BSc Program in Management Studies

Consistent with the new credit and semester system, UWI has identified the need to revamp the curriculum to integrate coverage and add topical coverage in several areas. This will be accomplished by restructuring 8 existing courses in the program and developing approximately 7 new course offerings (which might at some later date become the first stage of graduate courses) in priority areas of international business, tourism management and planning, marketing, finance and management science. Course development will be accomplished by developing or revising course manuals, the basic instructional tool. Manuals contain the syllabus, exercises, topic

lecture outlines, readings, handouts, and other instructional materials utilized in the course. As such, the course manual is the primary element in course design and is critical to curriculum reform. Existing manuals to be modified will be chosen by DOMS from the courses in the BSc (Management Studies) program.

DOMS faculty or other specialists, such as visiting professors from other UWI campuses or U.S. universities (e.g. Fulbright Lecturers), will be contracted to produce these manuals. UWI officials estimate that 20 person days are required to do each manual, and faculty will be paid at a rate of \$150/day, not to exceed \$3,000 (for 20 days work), with payment to be made upon delivery of the final product. UWI will provide all necessary secretarial and materials support. Reproduction and distribution to students will be undertaken by the University, either as part of its course materials budget or for sale on a cost-recovery basis. Three manuals will be developed in each year of the Project, yielding 15 manuals.

To assist in curriculum development, 4 person-weeks of U.S. technical assistance are provided in Year 1 of the Project. This assistance will be used for a detailed external curriculum review and development plan of the type provided by the AACSB foreign business school curriculum review program. This review is considered important for external validation of standards and programs, establishing priorities for curriculum development efforts, and providing a catalyst and reference point for mobilizing action.

4. Materials Development and Equipment

A basic package of audio-visual materials will be provided in response to the recommendations of the Arthur D. Little report and also the results of an UWI-initiated analysis of teaching equipment requirement. The equipment includes screens, overhead projectors, microcomputer projectors, videotape playback units and monitors, video cameras, and a photocopy machine.

5. Personal Computer Usage

In an effort to build upon identified needs in the curriculum and to overcome equipment shortages, the project will provide 12 personal computers for a student laboratory, with related software and equipment. UWI will undertake to provide appropriate, secure space for the lab and also necessary staffing and service agreements for operations. In addition, 8 PCs will be provided for use in faculty offices for course development. Appropriate training will be provided by the University before procurement of this equipment in Year 1.

The objectives of this activity are: 1) to obtain software appropriate for use in the lab by students in management studies, 2) to provide PCs for faculty and student use, and 3) to facilitate integration of computers into course work.

6. Library and Information Resources

This activity provides necessary resources for filling gaps in the University library of management related materials, adding journals necessary for supporting new topic areas introduced into the curriculum, and overcoming identified inadequacies in the journal collection. Proposed acquisitions will provide back issues and subscriptions over the life of the Project for the following:

- o 40 Academic journals in accounting, finance, marketing, international business, production, and general management;
- o 40 Trade journals in tourism, hotel and retail management, exporting, and international trade;
- o Selected newspapers and general purpose management magazines.

The University will maintain subscriptions after the end of the Project through University resources and/or private sector contributions.

IV. COST ESTIMATE AND FINANCIAL PLAN

The original Project provided an AID grant of \$2.7 million with an estimated UWI contribution of \$233,000, for a planned total Phase I cost of \$2.933 million. This figure did not include projected fee income which is expected to amount to \$185,000 by the end of the Pilot Phase.

The total cost of Phase II of the Project is estimated to be \$4,184,100. AID will provide grant funds of \$3,224,100 to finance the establishment and operation of the CMD, enhancing the capability of the DOMS, and audit and evaluation activities. The UWI will provide an in-kind contribution of approximately \$300,000 as overhead and operating costs (including salaries of teaching and administrative staff, office and teaching space, computer laboratory space, security and insurance costs), and the CMD is expected to collect fees amounting to about \$410,000 from the various programs which it will sponsor. Additionally, the UWI will establish an Reserve Fund for the CMD and will actively solicit contributions from the private sector across the Eastern Caribbean. Contributions are estimated to be a minimum of \$250,000 by the end of the grant period.

Table 2 shows the summary financial plan for the project.

TABLE 2
REGIONAL MANAGEMENT TRAINING PROJECT
SUMMARY FINANCIAL PLAN
(US\$000)

SOURCES OF FUNDS	AID	LWM	PRIVATE SECTOR		PROJECT TOTAL
			FEES	RESV. FUND	
PHASE I	2,700.0	233.0	185.0	—	3,118.0
PHASE II	3,224.1	300.0	409.8	250.0	4,183.9
TOTAL PROJECT REVENUES	5,924.1	533.0	594.8	250.0	7,301.9
USES OF FUNDS					
PHASE I PROJECT COSTS	2,700.0	233.0	185.0	—	3,118.0
PHASE II PROJECT COSTS:					
CMD Development	1,040.1	—	—	—	1,040.1
CMD Operations	543.9	300.0	409.8	—	1,253.7
DOMS Strengthening	774.6	—	—	—	774.6
Project Manager	280.0	—	—	—	280.0
Audit & Evaluation	165.0	—	—	—	165.0
Contingency	420.5	—	—	—	420.5
TOTAL PHASE II COSTS	3,224.1	300.0	409.8	0.0	3,933.9
TOTAL PROJECT COSTS	5,924.1	533.0	594.8	0.0	7,051.9
RESERVE FUND	—	—	—	250.0	250.0
TOTAL USES OF FUNDS	5,924.1	533.0	594.8	250.0	7,301.9

The Project Amendment is comprised of two primary components: component A, establishment of a Center for Management Development which is projected to become sustainable by the end of the project, and component B, the strengthening of the Department of Management Studies of the UWI/Cave Hill. Table 3 presents a summary of the detailed budgets contained in Annex J.

A. Center for Management Development

The Center for Management Development will periodically analyze training needs and institutional capabilities in the Eastern Caribbean region and organize seminars/symposia to respond to those needs which are not being met by other management training institutions; establish an Executive MBA program to serve the private sector in the EC region; offer contracted consulting and research services in response to market demand; develop locally relevant training and instructional materials and provide guidance in their use to management training instructors throughout the region; and provide limited support to strengthen collaborative management training institutions. The project will fund all development costs related to establishing the Center plus that portion of operating costs which will not be funded by revenue generations (i.e. operating costs deficit). The total USAID-funded cost for component A is \$1,584,070.

1. Development Costs

Development costs over the amended project life amount to \$1,040,100 and will cover: a Strategic Planning Workshop, a Marketing Strategy and Management Information System, a Materials Development and Sales program, Training Demand and Supplier Capability Assessments, Collaborative Institution Support to other management training agencies, Development of an Executive MBA program and limited equipment, materials and support. Costs will cover short-term regional and U.S. technical assistance, one long-term (4 year) Materials Development Specialist, travel and per diem, equipment, and supplies.

2. Operating Costs

The project will finance the projected operating cost deficit for the first four years of the Center's operations. The largest operating cost category is staff salaries and related costs. Starting salaries of CMD staff are projected at lower rates than those under the Pilot phase of the project, as local and regional talent will be recruited to ensure "Caribbeanization" and sustainability of the Center's programs. In recognition of the need to attract quality staff with experience in the private sector while keeping operating costs down, the core (permanent) staff of CMD will be limited to four, a Director, an Associate Director/Training Specialist, an Administrative Assistant and a Clerk/Typist.

REGIONAL MANAGEMENT TRAINING PROJECT
DETAILED USE OF FUNDS - PHASE II (US\$000)

	AID	UWI	FEES	TOTAL
I. CMD DEVELOPMENT COSTS				
EMBA Development	25.5	0.0	0.0	25.5
Technical Assistance	266.7	0.0	0.0	266.7
Institutional Support	255.0	0.0	0.0	255.0
Equipment, Materials & Supplies	150.6	0.0	0.0	150.6
Case Dev./Teaching Workshop.	79.8	0.0	0.0	79.8
Materials Dev Specialist	262.5	0.0	0.0	262.5
	1,040.1	0.0	0.0	1,040.1
II. CMD OPERATING COSTS				
Salaries	425.9	0.0	409.8	835.7
Other Operating Expenses	118.0	300.0	0.0	418.0
	543.9	300.0	409.8	1,253.7
III. DEPARTMENT OF MANAGEMENT STUDIES				
Faculty Development	531.4	0.0	0.0	531.4
BSC Development and Design	63.7	0.0	0.0	63.7
Library	63.0	0.0	0.0	63.0
Teaching Material and Equipment	46.5	0.0	0.0	46.5
PC Computer Lab	70.0	0.0	0.0	70.0
	774.6	0.0	0.0	774.6
IV. PROJECT MANAGER	280.0	0.0	0.0	280.0
V. AUDIT AND EVALUATION	165.0	0.0	0.0	165.0
VI. CONTINGENCY @ 15%	420.5	0.0	0.0	420.5
TOTAL PHASE II PROJECT COSTS	3,224.1	300.0	409.8	3,933.9
VII. RESERVE FUND	0.0	0.0	250.0	250.0
TOTAL PHASE II USAGE OF FUNDS	3,224.1	300.0	659.8	4,183.9

Additional costs for operating the CMD include office supplies, travel and per diem, communications, and the costs for semi-annual board meetings (with board members donating their time) and Advisory Committee meetings.

Total CMD operating costs for Years 1-4 are expected to approximate \$600,000 of which about \$175,000 is expected to be offset from revenue earnings. CMD is projected to have a small revenue surplus in Year 5. AID's contribution to operating costs will cover this projected deficit of about \$425,000 in Years 1-4. Future revenue surpluses combined with other fund raising activities of the Center are expected to be sufficient to completely support operating costs in Year 5 and beyond, requiring no additional Project support.

B. Department of Management Studies

Total USAID funded costs of this component is \$774,600. This amount will provide for: long- and short-term faculty development in the U.S. and within the region; design and development of a revised BSc curriculum including the cost of developing teaching manuals; library development, including subscriptions to academic/trade journals and general purpose business periodicals; and contributions to existing computer lab facilities.

C. Other Costs

AID will arrange for annual audits of the project, with particular focus on the operations of the semi-autonomous Center for Management Development. Audits will be carried out by a Certified Public Accounting (CPA) firm. The firm will check that the requirements of the Grant Agreement and all applicable U.S. Government laws and regulations are being complied with. It will also verify the adequacy of the Grantee's accounting system, the accuracy and allowability of direct cost claims, and review and verify the accuracy and allowability of overhead claims. The above will enable the Project Officer to detect and address problems of implementation and accountability more promptly.

AID will also arrange for a mid-term and end of project evaluation. Funds for audits and evaluations will be obligated by the Mission under direct contracts. The costs of audits and evaluations is estimated to be \$165,000.

The budget provides for a Project-funded USAID Project Manager who will be under the direct supervision of the Chief of the Health, Population and Education Office. This Manager will be responsible for monitoring the project on behalf of USAID. An amount of \$50,000 is provided for this post in the first year with 6 percent adjustment in the subsequent years for a total of \$280,000 over the five year period.

TABLE 4
OBLIGATION SCHEDULE
(US\$000)

	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>	<u>TOTAL</u>
EHRD Grant	455	2,071	698.1	3,224.1

TABLE 5
METHODS OF IMPLEMENTATION AND FINANCING
(US\$000)

<u>PROJECT ACTIVITY</u>	<u>METHOD OF FINANCING</u>	<u>RECIPIENT</u>	<u>AMOUNT</u>
CMD Development and Operations	Direct Reimb.	UWI	1,584.0
UWI/DOMS Development	Direct Reimb.	UWI	774.6
Audit/Evaluation	Direct Payment	To be Selected	165.0
Contingency	Direct Reimb.	UWI	420.5
USAID Project Manager	Direct Payment	PSC	280.0

V. IMPLEMENTATION PLAN AND SCHEDULE

A. Summary Implementation Schedule

The follow-on Phase II of the Regional Management Training Project will extend the life of project by five years with a revised PACD of December 31, 1995. Cognizant of the need to provide a smooth transition from the Pilot Project to this project, the implementation schedule is purposefully designed to maintain continuity of project staff and services delivered. To ensure this, the first of three project symposia/seminars planned for Year 1 will not take place until after completion of the 3 remaining Pilot seminars, the first of which is scheduled for September, 1990.

The implementation schedule is shown for CMD and DOMS activities. The most critical elements relate to establishment of the CMD. Year 1 will consist of several administrative actions to set-up the institution including appointing the Board, hiring CMD staff, and developing a strategic plan, and marketing and monitoring strategies. In addition, a CMD Endowment Fund will be established and initial contributions will be solicited. A series of contracts will be negotiated to conduct needs/capability assessments, procure/develop materials and equipment, and provide instructor development services. The CMD will begin offering direct training services in the form of 3 symposia/seminars, and 12 person days of consulting.

DOMS's activities in Year 1 will involve initiating PhD and short-term training for existing staff; foreign technical assistance to upgrade BSc. curriculum; development of new course materials; and the procurement of computer and audio-visual equipment, and library resources, all scheduled for completion by year end. Library journal subscriptions, naturally, will continue throughout the five year project.

The CMD will expand the number of symposia/seminar offerings to six in Year 2, and maintain this number of annual offerings throughout the life of the project. Consultancy services will also be expanded in year 2 to 36 person days, and continue at this rate in subsequent years. Year 2 will mark the beginning of efforts to develop and market the EMBA program. The DOMS staff will continue PhD level education, provide short-term training to faculty, and assist in developing course materials.

In year 3, CMD will register 20 students for the EMBA program to be delivered the following year. Opportunities for an earlier start will be considered. For the DOMS, MS educational programs will begin at the start of the year for 2 new staff, and PhD programs of two existing staff will conclude by end of year.

By the final year of the project, the CMD is expected to become a completely self-financing institution. The institutional strengthening activities of the DOMS will conclude with additional textbook writing projects and completion of MSc training for the second group of new staff by year end.

As noted above, a Management Information (MIS) system will be put in place in year 1 to ensure proper monitoring and provides a basic for evaluation. The MIS will be the joint responsibility of UWI and the CMD, but ongoing internal monitoring/evaluation of the project will be under the direction of the Director, CMD. The main product of the MIS will be semi-annual reports which will summarize all the major findings of the monitoring system. Annual assessments will be conducted throughout the life of the project by CMD to determine how the base-line data should be modified.

B. Procurement Plan

Procurement of goods and services under this project will be conducted by the UWI in accordance with AID Handbook 11, Host Country Contracting. Procurement sources will be the U.S. Member countries of the University of the West Indies may be the source or origin of products and services, but only with prior A.I.D. authorization. The University will be encouraged, where applicable, to procure from U.S. Gray Amendment contractors.

1. Commodities

The University of West Indies, subject to AID approval, will acquire all commodities needed to support the strengthening of the BSc curriculum at UWI (computer and peripherals, library journals, audio-visual equipment) and, working with the Director of the CMD, all commodities needed to support the strengthening of training institutions, delivery of CMD sponsored seminars/symposia, and development of the EMBA program (training manuals, texts, curriculum materials, films).

2. Technical Assistance and Training

a. UWI

In consultation with the Director of CMD, UWI will use AID competitive host country contracting procedures to acquire U.S. technical assistance to conduct needs/capability assessments and investigation of satellite centers, instructor development programs, short-term staff training, textbook and case writing activities, course manual development, and development of the EMBA program. Sources other than the U.S. may be used, but only with prior A.I.D. authorization.

b. RDO/C

RDO/C will be responsible for coordinating with the central AID participant training contractor to place at appropriate accredited U.S. institutions, members of the DOMS

faculty, selected by the University, for long-term PhD and M.S. level training. Training will be for a period not to exceed three years each for PhD level training and two years each for M.S. level training. This training will be administered in accordance with AID Handbook 10 regulations and guidelines.

In addition, A.I.D. will employ a PSC to serve as Project Manager.

c. Project Working Committee

The Board and the CMD Advisory Body will provide policy direction and pedagogical input to the CMD. Given their size and locus, however, these groups will not be involved in day to day implementation of the Project. RDO/C has found that in multi-component projects in the region, a useful management tool is establishment of a working project committee comprised of the principal actors/elements of the project. In this project, a working committee will be made up of the Director of the CMD, the Head of DOMS, the RDO/C Project Officer, a private sector representative of the CMD Board of Directors and the Principal, UWI/Cave Hill or his designee. The committee will meet at least once quarterly to guide project implementation.

TABLE 5
IMPLEMENTATION SCHEDULE

YEAR 1

Center for Management Development (CMD)

- Strategic Planning Process for CMD Board of Directors
- Develop action plan for CMD
- Hold 2 Board meetings
- Hire staff
- Implement marketing strategy and MIS
- Conduct Demand and Supply side assessments
- Investigate satellite Centers and negotiate agreements
- Market, design, and deliver 3 symposia/seminars following completion of the remaining pilot symposia/seminars
- Market and deliver 12 days of consulting services
- Establish Reserve Fund and secure \$50,000
- Contract USAID Project Manager

Strengthening the Department of Management Studies (DOMS)

- 2 current staff enter PhD program in U.S.
- Short-term faculty development begins
- Upgrade BSc curriculum
- Develop 3 of 15 course manuals
- Procure audio-visual equipment
- Compile and distribute case directory
- Procure computers, software and associated equipment
- Order library journal

YEAR 2

CMD

- Market, design, and deliver 6 symposia/seminars
- Market and deliver 36 days of consulting services
- Work with DOM on design of EMBA
- Market future EMBA program
- Initiate instructor development programs
- Initiate materials development program
- Hold 2 Board Meetings
- Tailor EMBA courses to EC region
- Establish endowment fund, begin soliciting contributions

Strengthening DOMS

- 3 additional course manuals completed

YEAR 3

CMD

- Market, design, and deliver 6 symposia/seminars
- Market and deliver 36 days of consulting service
- Market and register 20 EMBA students
- Continue contracting of instructor development programs
- Hold 2 Board meetings

Strengthening DOMS

- PhD training for 2 current staff completed
- Masters training for 2 new staff begins
- Short-term training for staff continues
- Additional 3 course manuals completed
- Mid-term project evaluation

YEAR 4

CMD

- Market, design, and deliver 6 symposia/seminars
- Market and deliver 36 days of consulting service
- Organize and deliver 1st year of EMBA to 20 students (18 weekend course segments)
- Market and register 20 EMBA students for year 2 of program

Strengthening DOMS

- Masters training for initial 2 new faculty continues
- Masters training for additional 2 new staff begins
- Additional 3 course manuals completed
- 3 text book writing agreements initiated and completed
- 1 case writing workshop held
- 1 case training session held

YEAR 5
CMD

- CMD operations sustained with non-project resources
- Market, design, and deliver 6 symposia/seminars
- Market and deliver 36 days of consulting service
- Graduate first year EMBA students
- Market and register EMBA students
- Achieve a \$250,000 Fund

Strengthening DOMS

- Group 2 completes MS training
- Final course manuals completed
- Additional text book writing projects completed
- End or project evaluation

VI. MONITORING AND EVALUATION PLAN

A. Management Information System and Evaluation

The successful implementation of this project requires that a fairly comprehensive management information system (MIS) be developed and maintained, which will allow UWI and AID to collect information for evaluation, monitoring and decision-making on a regular basis.

The project MIS will be required to monitor progress at several levels, including:

1. The flow of perceived benefits including better jobs, increased productivity and salary increases, which have accrued to those individuals and enterprises who have participated in the programs of the CMD;
2. The quality and relevance of the training and educational programs;
3. Each sub-component of the project providing specialized services, such as curriculum development, case studies, computer application, individuals training for advanced degrees, and courses and seminars delivered;
4. The status of the CMD's financial health, i.e., cost structure, marketing, income generation and fund-raising activities;
5. The development and dissemination of research findings and consultancies;

6. The development and analysis of training needs and training capabilities in the Eastern Caribbean region; and
7. The strength and nature of the relationships between UWI and the regional private sector, and the strength of the leadership role played by CMD among management training and educational institutions.

The challenge faced by the project is that much of the information needed to monitor the project will not be routinely collected within the project on a regular basis. Some of the data should be available from project records, but special studies and outside evaluations will be needed to collect specialized data sets.

Baseline data on a country-specific basis will be needed from which future comparisons can be made, to assist the project management staff in designing and modifying training approaches, and to measure the intended flow of benefits to both primary and secondary beneficiary groups. The data base, at a minimum, will contain a profile of the private sector in the target project countries as well as the training capabilities of the management training institutions. The exact nature of the base-line data to be collected will be determined during the first year of the project by the grantee, UWI and the CMD Board of Director in consultation with RDO/C. In addition, annual assessments will be conducted throughout the life of the project by CMD to update and check changes in base-line data. Project funds will be used to carry out the necessary studies. For example, a firm may be instructed to carry out an ongoing "process evaluation" of CMD operations, making suggestions for project improvement as an integral project component. The ongoing internal monitoring/evaluation of the project will be under the direction of the Director, CMD.

The main product of the MIS will be semi-annual reports which will summarize all the major findings of the monitoring system. The report will be a synopsis of data from all program areas. Outputs will be measured and major lessons learned in implementation will be presented along with any major changes which seem to be included by the findings. The CMD will be responsible for the production of this report.

The overriding concern of the entire MIS is the use of information to make appropriate decisions and to chart project impact and achievement. Key indicators to be measured throughout the life of the project are:

1. Indicators of productivity increase/decrease within the assisted firms and the reasons for such changes;

2. The effectiveness of management training as a methodology, particularly for primary beneficiaries;
3. A running needs and training capability analysis for planning programs.
4. The cost-benefit of training efforts and the cost-effectiveness of different training methods and training sites; and
5. The specific outputs of the project including:
 - number of curricular upgraded,
 - number of staff trained,
 - number of case studies developed,
 - number of seminars (symposia) courses delivered by type and location,
 - number of texts and journals purchased,
 - number of persons/institutions receiving training or technical assistance,
 - equipment and resource material acquisition.

The MIS developed by the project will include all of these factors plus others identified in the course of start-up activities and as the project develops.

In addition to the indicators directly related to project success, the underlying assumptions of the project will need to be carefully monitored as well. Some of the key issues include:

1. The economic climate for private sector development;
2. The ability of UWI/DOMS graduates to obtain relevant and gainful employment;
3. The ability of trained managers to successfully apply modern management principles;
4. The commitment of the private sector to assist, support and oversee the CMD; and
5. The demand for CMD services, including the Executive MBA.
6. The degree of competition between CMD and other providers of management training sources.

The MIS will be of significant value to RDO/C and UWI in program planning and evaluation. An ongoing "process" will greatly reduce the cost of periodic evaluations of the project. Since data on key variables will be available to outside evaluation teams, as

needed, the time and effort valued in collecting evaluation data should be devised. The MIS will help the CMD in planning its programs and shifting its emphasis to those types of activities that have the highest pay-offs for the private sector and for the CMD. The information should also assist the CMD to become financially self-sustainable. Firms will be better able to measure the value of training and consultancy to their on-going operations and thus justify the fees they are paying for such services.

In addition to the internal evaluation outlined above, outside formal evaluations will be planned by AID at two points in the project:

1. A formative mid-term evaluation will be conducted to examine project progress and make recommendations about changes necessary during the remaining life of the project. Sufficient comparative data should be available at that time to make useful comparisons with the base line date.
2. A summative final evaluation will be concluded at the end of the project to measure accomplishments and successes in achieving project goals as well as any important lessons learned in the project.

B. UWI Responsibilities

The Grantee and implementing agency for the Project will be UWI/Cave Hill. The Grantee's designated Principal Representative will have overall responsibility for project implementation and will be called upon to make major policy decisions regarding the project's direction. This Principal Representative will oversee the Project activities carried out or managed by the Head of the Department of Management Studies, and those carried out or managed by the Director of the Center for Management Development.

The position of Head of the Department of Management Studies is an established UWI faculty and administrator position, and, as such, will not be financed by the Project. However, this Department Head will be responsible for facilitating those project activities that aim to strengthen that Department's capacity to provide higher quality management education to students in the Bachelor of Science and Diploma programs in Management Studies. UWI will, in the Project Agreement, commit to this necessary facilitative role by the Head of DOMS.

The position of Director of the proposed Center for Management Development will be fully financed by the Project as a full-time position for the life of the project. The incumbent of this position will be designated Key Personnel in the Grant Agreement. RDO/C will consult closely with the UWI concerning

recruitment and selection of the candidate for this position, and will review and approve the contract for the successful candidate.

The Director of the Center (see Annex K for Job Description) will have primary responsibility for management of the Center, for general leadership in creating and maintaining an environment in which the Project's goal and purposes can be effectively achieved. He/she will work under the policy direction of the Center's Board of Directors, and in consultation with the RDO/C Project Officer. The Director is expected to spend considerable time away from the office, marketing the services of the CMD throughout the region.

The Director will be assisted by a Deputy who will manage the day-to-day affairs of the Center. A full-time Administrative Assistant will be responsible for monitoring project expenditures on behalf of the Director, and for submitting - through the Director - receipts, vouchers and other required financial management documentation to the UWI Finance Office, the Board of Directors, and RDO/C. The Administrative Assistant will also assist the Deputy with general office management, the logistics of the Center's operation and in managing the affairs of the Board of Directors.

A full-time clerk/typist will provide clerical support to the Center. He/she will typing/word-process project correspondence, establish and maintain orderly office files, receive telephone calls and serve as receptionist.

The CMD and UWI will be responsible for the design and implementation of the monitoring plan. The director, CMD, will be responsible for the collection of the baseline data, carrying out (with assistance, as needed) special studies to develop the data base on all the various levels required for reporting as outlined above. The CMD will also be responsible for producing a semi-annual report for AID.

As part of its leadership role in management development in the region, CMD will give special attention to issues of gender in management and development in several ways.

1. Collecting gender-desegregated data in all of its research or data gathering activities. This enables managers and evaluators to assess the extent to which gender is a variable in the wide range of factors which influence the development process.
2. Taking positive steps to ensure the participation of women in all of its programs, but particularly at the executive and senior levels of management. This includes encouraging women themselves to participate; encouraging companies to include women in their

selection; and encouraging companies generally to pay equal attention to the development of women as managers.

3. Taking leadership in the incorporation of gender considerations in the content of programs offered, by being sensitive and giving attention to such issues as the role of women as managers; their economic and social value; obstacles encountered. This is not intended to be one module on gender, but rather included as a component of each program.
4. Including gender considerations in the ongoing and final evaluation procedures.
5. Using gender distinctions in terminology.
6. Using more women as presenters/trainers. (In the Pilot Project women were also conspicuously absent as trainers/presenters).
7. Actively pursuing the participation of women on the Board of Directors and the Advisory Board.

C. AID Responsibilities

A Project-funded USAID Project Manager will be contracted through an AID direct contract and will work under the guidance and direct supervision of the Chief of the Health, Population and Education Office. Appropriate provisions are made in the project budget to cover the cost of the Manager.

The USAID Project Manager will be supported by a Project Implementation Committee consisting of key support staff. The Project Manager will be responsible for assuring that adequate communication with the UWI and CMD is maintained and that implementation problems are identified and resolved in a timely fashion. She/he will also:

1. Ensure that project activities are carried out in compliance with AID regulations and guidelines, and in compliance with the provisions of the Grant Agreement;
2. Have primary responsibility for reviewing the UWI implementation and annual work plan;
3. Review UWI's quarterly progress reports and preparing semi-annual progress reports for AID review; and

4. Ensure that the Grantee receives timely and effective support, including advances of funds, from RDO/C to carry out project activities in accordance with the established implementation schedule.

USAID representatives will also take part in annual project reviews together with UWI and the Executive Board of CMD.

VII. SUMMARY ANALYSES

A. Technical Analysis

Project interventions focus on teaching management skills both to present top and middle managers in the private sector and to students preparing to enter the management profession at various levels. Specific project activities are:

1. Conducting top management symposia and seminar courses for up to 120 private sector senior managers a year;
2. Assisting the private sector in preparing junior level managers for greater responsibilities through gradual development of a private sector supported Executive MBA (EMBA) program targeted at eventually producing 20 new managers a year;
3. Assisting existing training organizations in upgrading the quality of current program offerings which currently train over 3,000 private sector supervisors and middle managers a year;
4. Providing private sector firms with research and consulting services;
5. Undertaking an ongoing assessment of management development needs and available management training;
6. Creating a Center for Management Development (CMD) to deliver these training services and link the University of the West Indies (UWI) and the private sector; and
7. Strengthening the institutional capabilities of the Department of Management Studies (DOMS) at UWI, which produces over 200 undergraduate business majors annually, through faculty training, course restructuring, teaching equipment acquisition and materials development, augmenting library resources, and enhancing access to personal computers.

The first four interventions relate to delivering a highly interactive approach to management training and consultancy services based on problem-solving strategies and other action-oriented approaches. Building on the success and lessons learned from the pilot project regarding the effectiveness of these techniques, this approach to management training already commands receptiveness among "captains of industry". It also responds to the repeatedly expressed need and demand on the part of the private sector. Cost-effectiveness is enhanced by developing and employing lower-cost training resources from throughout the region, including other UWI campuses, and designing all training programs to be self-sustaining on a direct cost basis through fees charged.

Activities five and six are necessary to provide a distinct organizational identity and flexible mechanisms for linking project activities with private sector training needs. The semi-autonomous CMD will facilitate involvement of university faculty, resources, and accreditation capability in private sector directed activities. It will also provide a communication bridge from the university to the business community. This form of business community-university linkage is believed feasible because it parallels long established, successful models in U.S. universities. More importantly, each of the three campuses of the UWI has committed to establish a business institute to work with the private sector and perhaps eventually evolve to a school of business. Thus, this project will assist UWI/Cave Hill to expedite a program to which it is previously committed in a manner that is consistent with university policy and developments on other campuses.

The semi-autonomous, private sector directed CMD is an appropriate mechanism to allow participation of private sector constituency groups who have a stake in management education programs. These include business and other institutions providing management training. Also incorporated are some members of the pilot project consortium, who will contribute continuity and experience.

The seventh activity, strengthening DOMS, upgrades the core management education activity at UWI. The integrated and complementary nature of CMD training activities requires that DOMS faculty, materials, programs, and experience be upgraded as a condition for assisting in CMD delivery of cost-effective, high quality training. Moreover, a balanced middle- and long-run approach to management development requires attention to the formal education needs of business career path entrants who will be the middle and top managers of tomorrow.

Implementing these curriculum reforms is believed critical in:

1. Developing new course areas that are responsive to the needs of a changing economy;

2. Revitalizing instruction with the type of pedagogical materials and techniques proven effective in the pilot project; and
3. Enhancing skills in personal computer utilization.

The premise is that expanding and improving business curriculum and faculty will be the best way to maximize the university education's contribution to raising regional managerial skill levels to the standards demanded by a dynamic, competitive economic environment.

The Detailed Technical Analysis (Annex F) establishes that faculty development methods are suitable because they both consider the development needs of the Department of Management Studies and the job-related tasks of the faculty upon return from training, as well as having sufficient variety and flexibility to accommodate effectively the differences in academic level, experience, age and career needs of both new and existing faculty. Curriculum development efforts are appropriate because they respond to priority need areas of economic development, introduce practical tools and problem solving orientations to the traditional theoretical academic curriculum, and are supportive of initiatives undertaken by the university itself as the result of internal self-study and analysis.

Project implementation is considered cost-effective because resources employed are at the minimum level necessary to meet project output goals. Cost-effectiveness is also enhanced by utilizing regional trainers and training institutions instead of reliance on high cost U.S. providers, and by designing CMD operations to be self-financing, based on full direct cost, market rate fees for services.

Conclusion

Two separate but complementary sets of activities will be pursued in this amendment. The first focuses on strengthening the Department of Management Studies (DOMS) while the other focuses on the development of a Center for Management Development (DOMS). The strengthening of the Department of Management Studies will support the existing UWI program and is intended to improve the quality of managers trained by the faculty. Additionally, a strengthened DOMS will provide a resource upon which the CMD can draw in support of its program. The CMD will provide a range of training and related services to the private sector in particular. The pilot project established that there is a demand for some of these services, i.e. seminars and symposia. The private sector in Barbados and the Eastern Caribbean expressed the need and demand for the other services. In view of the aforementioned considerations, the project is regarded as a technically viable undertaking.

B. Financial Analysis

The project includes two components: establishing a Center for Management Development to improve management training services to the private sector in the Eastern Caribbean and strengthening management education at UWI/Cave Hill. The strengthening of the Department of Management Studies (DOMS) is not intended to be a revenue-generating activity for the project, whereas the Center for Management Development (CMD) is intended to generate revenue and be financially sustainable by the end of the project. The CMD will attain this status through the sale and brokering of management education, training and consulting/research services and with the help of private sector donations. The management education and training activities of both the DOMS and CMD are designed to promote broad-based economic growth in the Eastern Caribbean by strengthening the private sector's ability to contribute to increased production and productivity in key sectors of the economy i.e., tourism, manufacturing and agriculture.

1. Center for Management Development

Sustainability of the Center for Management Development is essential to Project success. Each revenue-generating activity was examined separately and in combination with the proposed service mix of CMD.

The conclusions of this analysis (see Detailed Financial Analysis and Budget, Annex F) are that, as proposed, the Center for Management Development has a service mix designed to increase its chances to reach a self-supporting level by the end of the Project. The proposed design includes a substantial reliance on development, marketing and implementation of an Executive MBA program beginning in year 4. Although, as with any new enterprise, there is a high level of risk, the CMD Board of Directors and executive staff will have a few options available. If demand for the E-MBA is lower than the projected 20 students per year, the CMD could elect to slightly increase the number of seminars and symposia--guided by demand information from the assessments and the direction of the Board. However, if other revenues remain stable CMD would need a minimum of 35 students in the E-MBA program to break even in year 5.

Other possibilities exist. In years four and five of the Project, as staff return from their educational upgrades, opportunities for revenues from consulting services should be improved. With a competent staff and careful attention to marketing and public relations from the onset of the Project, fund raising for supplemental revenues will be possible as the CMD reputation is established.

2. Department of Management Sciences

Project support for the DOMS declines after the first year and levels off over the life of the project, as the curriculum is updated, the library and computer facilities are improved and the faculty return from educational upgrades or short-term training in the U.S. With UWI on the three year funding cycle (next budget negotiations in 1992 and implementation as of September 1993), it is expected that four additional faculty positions will be approved for hire and consequent training consistent with the proposed Year three plan in the Project budget.

With an upgraded DOMS and greater visibility for DOMS faculty through services rendered to the private sector through the CMD, the expectation exists that private sector support---possibly in the form of endowed chairs--- will be forthcoming. The steady increase in demand for a degree in management studies among Eastern Caribbean students will continue to exert pressure on UWI to add faculty to the DOMS. Without additional financial support from the UWI-wide system, DOMS will need to begin looking seriously to the private sector and alumni for supplemental income.

The project will emphasize use of regional rather than more expensive foreign expertise whenever possible. As the project progresses, additional local capacity will be developed for the EC region (in the form of improved faculty and facilities for management education). After the Project, UWI will be able to deliver educational and information products which are more relevant as well as less costly than those provided by out-of-the-region educational institutions or consultants.

Conclusion

The services offered by the CMD have been analyzed in considerable depth, and the Mission has concluded that the institution has a reasonable chance of becoming self-sustaining by the end of the Project. The financial projections are very conservative and reasonable although the success of the project and sustainability of the CMD are heavily dependent upon the success of the EMBA program which is scheduled to commence in Year 4 or possibly earlier. In spite of this dependence, based on the surveys of private sector participants in Pilot activities and in the design of Phase II as well as the high levels of demand for programs currently being offered by UWI, the projected level of revenue from the EMBA program is conservative.

C. Economic Analysis

The purpose of this analysis is to assess the impact of the project on the economies of the beneficiary countries in the Eastern Caribbean (EC). Those elements of the project considered to directly influence the level of management proficiency within the region consist of management training through seminars aimed at

private sector executives and high level managers, and an Executive MBA program. The benefits stemming from these elements were quantified both on a private and social basis, as was the project as a whole. Benefits generated by the other elements of the project--strengthening the Department of Management Studies at UWI, improving the capabilities of other regional training institutions, and selling consultancy and research services through the CMD--were considered either too indirect or intangible to measure objectively. Thus, no benefit-cost analyses were conducted on any of these elements, nor were their benefits included in the aggregated benefit-cost analysis. This created an imbalance in the number of elements counted in the overall analysis as project costs for all project elements were included, while project benefits reflected only the two quantifiable elements.

1. Demand/Supply of Management Education and Training

Based on available information, there appears to be a strong need and demand in the region for executive management training. The training demanded consists of both short-term training in the form of 3 day seminars, and longer-term management education offered by the University.

The 1985 assessment by the Caribbean Association of Industry and Commerce (CAIC) of the need for management training in the English Speaking Caribbean revealed that the economies of the region were seriously constrained by the lack of an adequately trained cadre of top managers. While this study was aggregated to include other countries outside the scope of this project, it is believed that the shortage of trained managers is widespread and, therefore, is as great a problem for Barbados and smaller EC countries as it is for Jamaica and Trinidad and Tobago. The conclusions remain relevant today, as no significant expansion in training services in the Eastern Caribbean region has since taken place.

The conclusions drawn from the pilot phase of the project seem to indicate that the demand for training was strong as participants "demonstrated a willingness to pay for the operating and residential costs of the courses, and did in fact pay the full costs for the final symposia and seminars." Moreover, executives indicated in follow-up interviews that the type of training offered under the pilot should be continued, implying a future demand for these courses.

Demand appears strong for longer-term management education as well. The number of applicants exceeds the number of acceptances for the BSc program at UWI/CH by a margin of five to one. For the UWI graduate diploma program in management studies the ratio is even higher at seven to one. This unsatisfied demand for a management education at UWI/CH has risen steadily during the last few years at the expense of other departments which are experiencing downturns in their number of applicants.

An executive MBA degree similar to the one instituted last year at UWI/Mona is also desired in the EC region. Enrollment in the Jamaica program is about 25 students, but entrance applications exceeded 200. Discussions held with private sector representatives in Barbados and the OECS countries during the design of this project revealed a strong interest in such a program within the local business community.

2. Education and Economic Growth

A wealth of literature exists demonstrating empirically the economic benefits to investments in education. Primary education is considered to offer the highest return (social and private) among all educational levels. However, rates of return to investment in education are generally well above the ten percent yardstick commonly used to indicate the opportunity cost to capital.

This is true of investments in management education as well. Research in this specific area has revealed two key findings: a) returns to expenditures for management training exceed those of most university specializations; and b) returns to high level management training programs are relatively high overall and offer especially high private returns and foreign exchange substitution effects. Moreover, from a practical standpoint, management education is seen as preparing individuals at all levels to manage the technology and human capital in every sector of the economy. A well trained cadre of managers is thus essential for establishing an environment in which economies can prosper.

3. Analysis of Project Elements

A multi-faceted project with several elements offering less than objectively measurable benefits is always difficult to assess quantitatively. This project is no exception as only two of the project components, the executive seminars and Executive MBA, provide direct benefits to individuals which can be measured. The analysis provides an overall estimation of the economic returns from investing in the full cost of the project; benefit-cost and cost-effectiveness analyses are also conducted on the two quantifiable elements. Benefits generated by the other elements are discussed, and are viewed as valuable to the region's economy, though this is not demonstrated quantitatively.

Benefit-cost analyses conducted on the overall project, executive seminars, and executive MBA were calculated over a 20 year period and discounted at a rate of 10 percent. The results are as follows:

Overall Project

- o Benefit streams reflected added income from just two project elements, the seminars and Executive

MBA, while total social costs consisted of full project costs, opportunity costs, UWI in-kind contributions, and travel and per diem expenses;

- o The analysis resulted in an internal rate of return of 22.97 percent and a benefit-cost ratio of 1.94. The net present value was approximately \$3.3 million.

Executive Seminars/ Symposia

- o Benefits were based on estimates by employers of the time period required to earn back in productivity savings their investments in management training;
- o The cost stream consisted of delivery costs, opportunity costs, travel and per diem expenses, and administrative overhead. Private and social costs were identical since the participant's fee covered full delivery cost, plus overhead the analysis generated an internal rate of return of 36.99 percent, with a benefit-cost ratio of 2.15 and net present value of \$2.46 million.

Executive MBA

- o A private and social rate of return were calculated in order to demonstrate the level of return to the individual investor in the program as well as to society as a whole;
- o Benefits reflected starting salary differentials in the region for individuals holding a bachelor degree and those with an MBA;
- o The private internal rate of return is 27.68 percent compared to a social return of 42.84 percent. The difference is explained by tuition costs for the program which exceed associated project and delivery costs. The private benefit-cost ratio is 1.72 and social benefit-cost ratio 2.47.

Cost-Effectiveness: Alternatives to Executive Seminars and Executive MBA

The executive seminars/symposia and Executive MBA proposed in the project would be the first of their kind offered in this region, and thus would be far less in price to the individual purchaser than similar foreign based programs now utilized by managers in the EC.

Many employers in the region spend up to \$80,000 (including opportunity costs) to provide MBA training to staff at overseas institutions. These costs are estimated to be 5.47 times greater than the projected costs of obtaining the Executive MBA degree.

A similar cost savings would be derived from utilizing the proposed executive seminars instead of training programs based outside the EC. The costs to the firm of sending a manager to a typical U.S. based course would be 47 percent greater than the projected costs of enrolling in a CMD seminar.

Non-Quantifiable Elements

The elements of the project whose benefits could not be quantified with any degree of confidence were: a) strengthening the capabilities of other training institutions in the region; b) delivering consultancy services through the CMD; and c) upgrading the faculty and curriculum of the Department of Management Studies. All three of these elements are seen as providing valuable benefits to the region's economy.

Strengthening other management training institutions in the region will indirectly improve the quality of managers in the region, and the ability of the firms in which they serve to compete and prosper.

Consultancies will benefit the region's economies to the extent CMD can reach new customers and/or offer more effective technical assistance than is now being delivered. Consultancies will also offer UWI faculty an opportunity to gain exposure to "real world" business problems. This will add to the quality of teaching at UWI as DOMS faculty will be able to share with students the experiences they have learned from this work.

Finally, upgrading the DOMS curriculum will produce a better trained group of entry level managers, ensuring a brighter future for the economies of the region.

Conclusion

The project will generate significant returns to the regional economy. In financial terms, the internal rates of return are 22.97 percent for the project as a whole, and 36.99 and 42.84 percent respectively, for the two measurable components, the executive MBA and seminars. Moreover, the MBA and seminars are far more cost-effective for the individual purchaser in the region than other available alternative programs. In addition, the project will provide a number of non-quantifiable returns. Combined, these benefits appear to outweigh the costs of the project. Based on this analysis, RDO/C concludes that the project is a sound economic investment.

D. Social Analysis

1. Socio-Cultural Feasibility

The inadequacy of management and supervisory skills in the region is now widely recognized. In 1985, two independently commissioned studies reached similar conclusions, i.e., that there were substantial and urgent needs particularly at the higher levels of management. However, while one study recommended the development of a new Center to meet the needs, the other recommended the strengthening of existing management training institutions. These discussions led to the formation of a Consortium of Management Development Institutions; then to the implementation of the Regional Pilot Project; and now to a follow-on phase of that project, the main purpose of which is to improve management capability in the region, particularly in the private sector.

2. Social Impact

This project is based upon the hypothesis that implementing improved management practices, particularly in the private sector, is critical to economic growth. To this end a Center for Management Development will be established to direct and coordinate management education and training in the Eastern Caribbean,

Direct Beneficiaries

Given the nature of the project, i.e., the provision of management and supervisory training, and entrepreneurial development, but with special emphasis on the higher levels of management, the direct beneficiaries will be those persons and organizations that participate in the various programs.

Faculty and students of the Department of Management Studies will also benefit directly, since it is expected that the staff, curriculum, teaching/learning materials and facilities in that department will also be upgraded as part of the project. The training of trainer programs will include staff from members of the Consortium, hence they too will derive direct benefits in this way, as well as through seed grants and/or contracts obtained from CMD.

Indirect Beneficiaries

Since the ultimate goal of the project is economic growth, it is anticipated that indirect benefits should be broadly distributed across the OECS region. With improved management skills, decision-making, productivity, quality of work and quality of work life should also improve.

3. Equity Issues

It has been noted that the project aims primarily at managers and supervisors, especially at the upper levels. This means that lower income groups are not direct beneficiaries. However, when economic conditions improve, lower income groups will benefit since such conditions are conducive to the preservation of existing jobs and, hopefully, the creation of new ones. In economic downturns, the lower income groups suffer most. Thus, it is particularly important for those groups that economic growth is sustained.

In most of the activities conducted in the Pilot Phase, there were many more male participants. This was particularly noticeable at the two Executive Symposia targeted at Chief Executives and Directors. Of the ninety-four participants who attended, only eight were women. Women were also conspicuously absent as presenters/trainers.

As part of its leadership role in management development in the region, CMD will give special attention to issues of gender in management and development as outlined in Annex G.

Conclusion

This Project has been designed to leave a positive social impact of the attitudes and behavior of middle and upper management in the Eastern Caribbean. The impact will be long-term given that a significant percentage of funds is earmarked for the development of two educational organizations, the Center for Management Development and the Department of Management Studies.

The provision of seminars and symposia conducted by the CMD have the potential for impacting on attitudes and behavior in a relatively short period of time. By giving special emphasis to the participation of women in both degree courses and in seminars and symposia, it is hoped that factors which presently impede the advancement of women as managers in the private sector will be redressed.

E. Institutional and Administrative Analysis

The main institutions which have historically been connected with the Pilot Project are members of the Consortium of Management Development Institutions.:

- o The Barbados Institute of Management and Productivity (BIMAP);
- o The Caribbean Association of Industry and Commerce (CAIC);

- o The Caribbean Center for Development Administration (CARICAD);
- o The University of the West Indies (UWI); and
- o The Secretariat of the Eastern Caribbean States (OECS).

Since one of the main purposes of this project is to strengthen the delivery capacity of the premier institution as well as other appropriate providers of training in the Eastern Caribbean, it is expected that the Consortium members in particular will play a substantial role. They will be represented on the Board of Directors. Secondly, they will be included, as recommended in the final evaluation in staff development courses and training of trainer programs to strengthen their internal capacity to deliver training. Thirdly, their participation in the implementation of the project may include seed grants from CMD to catalyze the delivery to the private sector of innovative programs and services for which they are best suited, or have a track record in the private sector.

Brief descriptions of the Consortium member organizations are provided in Annex G.

Rationale for Selecting UWI as Grantee

UWI was chosen as the grantee of the project for several reasons.

- o It is recognized as the leading educational institution in the region.
- o It has the advantage of having hosted the pilot project and is, therefore, in a position to use the lessons learned and avoid pitfalls.
- o There is an existing Department of Management Studies which can and will be strengthened to improve its own programs as well as support the project.
- o It was assessed in the final evaluation of the Pilot Project to be best suited for the grantee role for a follow-on phase.
- o UWI has experience in implementing other AID projects.

Center for Management Development

Flexibility and responsiveness will be critical to the success of CMD; hence the need to create the type of structure which promotes and supports these features. Consequently CMD will be an autonomous unit within the framework of the University.

This arrangement will allow the Center to participate in the benefits to be derived from its association with the University. At the same time, it will be able to avoid most of the constraints which would erode its competitiveness in identifying and responding to the needs of the private sector. CMD will have access to the resources of all three campuses, in particular, the upgraded Department of Management Studies at Cave Hill and the institutes of Business at Mona and St. Augustine. It can tap into and network with any of UWI's internal contacts and linkages.

At the same time, it can also draw freely on any other resources both inside and outside the Caribbean. Regionally, the private sector and other providers of management training and services will be expected to play major roles in this regard. CMD will have its own private sector dominated Board of Directors which will approve its programs. The Center will be run by a Director, appointed by the University on the recommendation of the Board. There will be a small core staff; in short a lean, well run organization, which will be able to reach out to tap relevant resources as needs arise.

CMD will be responsible for its own budget, using management systems that take into account the financial procedures of UWI, but which are also in accordance with AID's requirements, which as indicated earlier, are well known to UWI.

The arrangement of a semi-autonomous entity was chosen because of its positive features in terms of facilitating flexibility and responsiveness, as well as providing protection from internal University interference, and the dysfunctions normally associated with complex bureaucracies. Furthermore, the UWI has experience with similar organizations at each of its campuses.

Finally, by functioning as a semi-autonomous unit, by effectively responding to, and meeting the needs of the private sector in a timely and sensitive manner, CMD has a unique opportunity to establish a positive image and reputation for itself among members of the business community.

Conclusion

A primary purpose of this project is to strengthen regional institutions in their ability to deliver management training to the Eastern Caribbean private sector. A corollary is strengthening cooperation among regional institutions responsible for management training. To this end, UWI, as the premier training institution, was selected as grantee. The linkage between the UWI/DOMS and the CMD is the formula chosen that appears to meet the desire of the EC private sector for a Center focussed on private sector management needs and which also meets the administrative requirements of this project. The fact that the other branches of UWI and the private sectors in Jamaica and Trinidad have adapted this model underscores

its regional compatibility and will facilitate institutional development regionally.

VIII. SPECIAL CONDITIONS

A. Conditions Precedent to Disbursement

1. First Disbursement

Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the parties may otherwise agree in writing, furnish to A.I.D. in form or substance satisfactory to A.I.D.:

- (a) a position description for the Director of the Center for Management Development (CMD) and a firm Board of Directors;
- (b) evidence of the establishment of and a statement of the organizational and procedural guidelines for the CMD, including a definition of lines of authority between the CMD and the Grantee;
- (c) signed commitments from Eastern Caribbean private sector leaders to serve a term on the CMD Board;

2. Second Year Disbursement

Prior to disbursement of funds in the second year of the Grant, the Grantee will, except as the parties may otherwise agree in writing, provide A.I.D., in form and substance satisfactory to A.I.D.:

- (a) evidence of the establishment of a Reserve Fund, including terms and conditions thereof, for continuing private sector contributions for the CMD, and evidence of an inaugural contribution of \$50,000 from the Eastern Caribbean private sector community. The inaugural contribution may be either tied or untied to provision of future services from the Center.
- (b) evidence that an appropriate internal monitoring and evaluation system for CMD has been established and is operational.

3. Disbursement for Computer Equipment and Supplies

Prior to the disbursement under the Grant in any year for computer supplies and equipment, the Grantee will, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. evidence that the University of West Indies (UWI) has an appropriate and secure site(s) for the equipment and supplies and that the recurrent costs of the facility(ies) (i.e., staffing, insurance, security, and maintenance) will be borne by UWI.

B. Covenants

The Grantee, except as A.I.D. may otherwise agree in writing, agrees as follows:

1. Reserve Fund

By not later than March 31, 1991, the Grantee shall submit to A.I.D. a Plan for establishing a Reserve Fund which specifies strategies to solicit contributions to the Fund from the private sector community in the Eastern Caribbean with a view to obtaining at least \$250,000 over the amended Project life and not tied to the provision of those services identified as sources of revenue to meet the operating costs of the project (see Covenant No. 4 below). Annually thereafter for the remainder of the Project life, the Grantee shall submit a report to A.I.D. specifying the amount of contributions made to the Fund for the previous year, the actual and intended use of such contributions, and the Grantee's plans to continue, modify and/or expand its program of solicitations.

2. Work Plans

Beginning no later than October 30 each Project Year, the Grantee shall submit to A.I.D. for review and approval, a time-phased, annual work plan and operational budget for all activities of the Project. The initial work plan shall include a monitoring and evaluation plan which describes the scope and methodology for development of base-line data and for evaluation of the project.

3. Recurrent Costs

The Grantee shall submit to A.I.D. by October 30, 1992 a detailed projection of and a written plan for meeting estimated recurrent costs for the CMD after the project ends.

4. Collection of Participant Fees

The Grantee shall collect fees from the participants in the symposia, seminar, EMBA program, and for consultancy/research services delivered through the CMD in

accordance with current market rates at such a level to ensure that all programs offered are fully cost recoverable. These funds will be held in a separate bank account and shall be programmed, with prior A.I.D. approval, to further the purposes of the project.

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SUBJECT: PROPOSED AMENDMENT TO THE REGIONAL MANAGEMENT TRAINING PROJECT (338-2149)

1. SUMMARY: IAC HAS REVIEWED MISSION ANALYSIS OF THE FINANCIAL SUSTAINABILITY OF THIS ACTIVITY SUBMITTED WITH THE ACTION PLAN. WHILE WE NOTE THAT THE ANALYSIS SHOWS THAT COSTS AND INCOME BALANCE BY THE END OF THE PROJECT, WE ARE CONCERNED ABOUT THE SUBSTANTIAL COSTS ASSOCIATED WITH THE CENTER FOR MANAGEMENT DEVELOPMENT (CMD) AND ABOUT THE LIKELIHOOD CMD COULD SUCCESSFULLY SPONSOR THE NUMBER OF ANNUAL SEMINARS (24) NECESSARY TO COVER PROJECTED COSTS. THE PP AMENDMENT SHOULD BE SUBMITTED TO IAC FOR REVIEW AND CONSIDERATION OF AUTHORIZATION.
END SUMMARY.

2. TWO KEY CONCERNS AROSE FROM OUR REVIEW OF USAID'S ANALYSIS OF THE SUSTAINABILITY OF THE REGIONAL MANAGEMENT TRAINING PROJECT. THESE CONCERNS WERE THE SIGNIFICANT COSTS OF STRENGTHENING AND OPERATING CMD AND THE CAPABILITY OF CMD TO CARRY OUT THE NUMBER ANNUAL TRAINING PROGRAMS (24) NECESSARY TO FUND ONGOING COSTS. THESE CONCERNS SHOULD BE ADDRESSED IN THE PP SUPPLEMENT.

3. CMD'S OPERATING COSTS
CONCERNS ABOUT CMD'S COSTS INCLUDE ITS OPERATING COST AND THE COSTS OF STRENGTHENING IT. REGARDING THE FORMER IT IS UNCLEAR WHY CMD REQUIRES A 12 PERSON BOARD OF DIRECTORS AND WHY ANY OF THEM HAVE TO BE PAID A FEE, WHY CMD NEEDS ANY VEHICLES, WHY CMD WOULD REQUIRE A SEVEN PERSON STAFF, AND WHY CMD, WHICH IS TO BE HOUSED IN JWI, WOULD NEED AN INITIAL BUDGET OF DOLS 175,202 A YEAR FOR UTILITIES AND OFFICE SUPPLIES. MUCH OF THESE COSTS ARE IN ADDITION TO ACTUAL TRAINING COSTS AND REPRESENT A SIGNIFICANT OVERHEAD THAT WOULD BE DIFFICULT IN THE BEST OF CIRCUMSTANCES TO SUPPORT FROM FEE AND TRAINING INCOME. IT APPEARS THAT THESE COSTS CAN AND MUST BE TRIMMED SIGNIFICANTLY IF CMD IS TO BE SELF-SUSTAINING.

4. COSTS OF STRENGTHENING CMD
THE PRELIMINARY PROJECT BUDGET ESTIMATES ALMOST DOLS 1.3 MILLION TO STRENGTHEN CMD. THIS LEVEL OF STRENGTHENING DOES NOT SEEM COMMENSURATE WITH CMD'S ROLE UNDER THE

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PROJECT WHICH WE UNDERSTAND TO BE PRIMARILY TO ARRANGE, COORDINATE, AND OTHERWISE FACILITATE TRAINING RATHER THAN TO ACTUALLY DO ALL THE TRAINING. WITHOUT WISHING TO PREJUDGE THE SITUATION WE ARE CONCERNED THAT THIS LEVEL OF STRENGTHENING MAY RELATE TO A LARGE EXTENT TO PREPARING CMD TO BECOME A SCHOOL OF BUSINESS. WHILE DEVELOPING SUCH A SCHOOL OF BUSINESS MIGHT BE A WORTHY IDEA IT DOESN'T APPEAR TO BE A PART OF THIS PROJECT. IN PREPARING THE PP SUPPLEMENT THE MISSION SHOULD CAREFULLY EXAMINE CMD'S PLANNED ROLE UNDER THE PROJECT AND PROPOSE ONLY THAT STRENGTHENING NECESSARY TO PERFORM THAT ROLE.

5. COST RECOVERY

WE UNDERSTAND THAT UNDER THE CURRENT PROJECT TEN HEAVILY SUBSIDIZED TRAINING PROGRAMS CONDUCTED BY FOREIGN EXPERTS WERE HELD OVER TWO YEARS. GIVEN THIS EXPERIENCE (AND THE EXPERIENCE OF SIMILAR PROGRAMS ELSEWHERE) IT IS DIFFICULT TO UNDERSTAND HOW CMD COULD REACH AND SUSTAIN A LEVEL OF INTEREST AND ATTRACT PARTICIPANTS FOR 24 SEMINARS A YEAR UTILIZING INDIGENOUS TRAINERS EXCLUSIVELY. IT IS ALSO NOT AT ALL OBVIOUS THAT THERE WOULD BE A DEMAND FOR THIS LEVEL OF TRAINING WITH A FEE OF DOLS 622 PER THREE DAY PROGRAM. REALISTIC SEMINAR PROJECTIONS SHOULD BE SET FORTH AND SUPPORTED IN THE PP SUPPLEMENT. FOGLEBURGER

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MISSION'S RESPONSE TO STATE 120069

Overview

The NPD review cable focused on three central areas of concern regarding the proposed Center for Management Development (CMD):

- 1) Excessive Operating Costs of the CMD;
- 2) Excessive Costs of Strengthening the CMD; and
- 3) The ability of CMD to Operate on a Full-Cost Recovery Basis

Issue # 1: CMD's OPERATING COSTS

Specifically, the cable takes issue with the following elements of the CMD budget: the initially proposed large (12 members), paid CMD Board of Advisors; three CMD vehicles; a seven- person CMD staff; and an initial budget of \$175,000 a year for utilities and office supplies that supposedly were to be provided by the University as an in-kind contribution. AID/Washington views these items as excessive and recommends that these costs be trimmed significantly if CMD is to be self-sustaining.

Response

Given the relatively small market which it will serve, CMD must be a lean organization in order to become self-sustaining. To attain this objective, the University will have to bear some of the costs, such as providing office space and utilities. The proposed budget includes these as UWI contributions to CMD. The current design eliminates the purchase of vehicles. In addition, the Board has been reduced to 11 individuals, all of whom will serve on a voluntary basis. Board members will, however, be reimbursed for CMD related travel expenses. Finally, the CMD core (permanent) staff will be trim, consisting of only four individuals: a Director, Deputy Director, an Administrative Assistant and a Secretary.

Issue #2: COSTS OF STRENGTHENING CMD

The cable expressed concern with the initially proposed \$1.3 million budgeted to strengthen the CMD. According to Washington, this seems inconsistent with the central purpose of the CMD which is to serve primarily as a broker and facilitator of training rather than as a direct deliverer of these services.

Response

The Mission concurs with the interpretation of the Center's role as facilitator/coordinator of training. Limited institution building activities are planned for the CMD during its development phase to help insure its relevance to the private sector and its

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leadership among management training institutions in the region. By the PACD, CMD is intended to be a lean organization, chartered with the responsibility of primarily marketing management services to the private sector in the form of executive symposia/seminars, an executive MBA program, consultancies and research activities.

Issue #3: CMD FINANCIAL SUSTAINABILITY

AID/W opined that the initially projected number of seminars per year (24) might be unrealistically high given the projected \$625 fee and relatively small customer base in the Eastern Caribbean region. The cable suggests that more realistic seminar projections be developed and supported in the Project Paper Amendment.

Response

The Project Paper Amendment sets a modest agenda for the Center of 6 seminars/symposia per year, each priced on a full direct cost recovery basis of \$625 per participant. These are targeted at top-level managers and executives, a group whose training needs are not now being served by any existing training institution in the region. Additionally, the CMD will organize several teacher/instructor workshops, case development sessions to serve the needs of management training institutions. CMD will, of course, explore realistic opportunities to expand the number of symposia and seminar offerings per year as it gains experience in this area.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 90 to FY 95
Total U.S. Funding: \$
Date Prepared: May 1990

Project Title & Number: Regional Management Training Project (538-0148)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>To promote broad-based economic growth in the Eastern Caribbean by strengthening the private sector's ability to contribute to increased production and productivity in key sectors of tourism, management and agriculture. principles.</p>	<ul style="list-style-type: none"> - Increased productivity in enterprises which employ individuals who have received training education and services from institutions strengthened under the project. - Expanded Private Sector contribution to Country and Regional GDP. 	<ul style="list-style-type: none"> - Follow-up interviews and questions to individuals, employers, and training institutions. - National and Regional Economic Statistics. - Company Annual Reports. 	<ul style="list-style-type: none"> - The region maintains a climate favourable to continued private Sector Development. - UWI graduates will continue obtain employment in the region. - Managers able to successfully apply modern management
<p>Project Purpose:</p>	<p>End of Project Status</p>	<p>- Project records</p>	<p>Assumptions</p>
<p>Assist in alleviating the shortage of skilled upper and middle managers by enhancing delivery of management education, training, research and consulting services to the private sector within the Eastern Caribbean.</p>	<ul style="list-style-type: none"> - The continuing delivery of high quality, cost effective management training programs to top and middle Eastern Caribbean Managers. - An established and fully institutionalized Center for Management Development (CMD) at UWI/Cave Hill providing relevant services to Eastern Caribbean private-business, parastatals, students and appropriate training institutions on a self-sustaining basis. - A strengthened faculty, courses, and curriculum, and teaching materials in the Department of Management Studies (DOMS) at UWI/Cave Hill. 	<ul style="list-style-type: none"> - Records of training Institutions - Interviews with UWI students, trainees, members of the business community, and training suppliers - Records of placements and starting salary levels of UWI management study graduates 	<ul style="list-style-type: none"> - Continuing commitment from the private sector to participate in the CMD board, provide financial support, and attend programs - Other management training institutions in the Eastern Caribbean cooperate and collaborate with the role identified for CMD - Demand for management education and training will continue
<p>Outputs</p>	<p>End of Project Status</p>	<p>Means of Verification</p>	<p>Important Assumption</p>
<ol style="list-style-type: none"> 1. Institutional <ul style="list-style-type: none"> - A strengthened DOMS 2. Program Activities <ul style="list-style-type: none"> - BSc and Diploma Curriculum at UWI upgraded and revised - E-MBA program initiated, based on UWI/Hona program and adopted for the Eastern Caribbean - Symposia and Seminars delivered to private sector managers - CMD established and delivering quality research, training and consulting in key sectors to the private sector. 	<ol style="list-style-type: none"> 1. Institutional <ul style="list-style-type: none"> - Course manuals developed for 8 existing and 7 new courses - 10 PC's installed and utilized in student laboratory/faculty office - A/V equipment packager available - 40 professional and 40 trade journals available in library - 6 textbooks written and used in courses. 2. Program <ul style="list-style-type: none"> - BSc and Diploma Curriculum reviewed by external consultants - E-MBA program approved, developed and functioning, with first class graduates 	<ul style="list-style-type: none"> - Project records - Evaluation Reports 	<ul style="list-style-type: none"> - Quality individuals can be recruited and retained for CMD staff and UWI faculty training. - UWI approvals necessary for new courses, new staff positions, and EMBA program will be obtained.

ANNEX B

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<ul style="list-style-type: none"> - Beneficiaries - Seminar executives and managers trained in seminars and symposia - E-MBA graduates from UWI - UWI BSc undergraduates - DOMS faculty trained - Private Sector firms receiving research and consulting services 	<ul style="list-style-type: none"> - 9 symposia and 18 seminars delivered - CMD Board organized, staff appointed, and strategic plan developed 		
	<p>3. Beneficiaries</p>		
	<ul style="list-style-type: none"> - 540 seminar executives and managers trained in seminars and symposia - 20 E-MBA participants graduated with an additional 20 enrolled in the first year and 20 more enrolled in the second year of the program - 600-1,000 UWI undergraduates who have taken courses or been taught by faculty strengthened by the project - Two DOMS faculty trained to PhD level, 4 faculty to MSc level, and 30 weeks of short-term training provided - 156 person days of consultancy and research provided for an estimated 50 private sector contracted research projects 		

Inputs:	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p>Assumption for providing</p>	<p>Cost Elements (See Cost Estimates and Financial Plan)</p>	<ul style="list-style-type: none"> - AID Records of Disbursements - Project Quarterly Reports 	<ul style="list-style-type: none"> - Inputs will be available in a timely manner
<ol style="list-style-type: none"> 1. AID Financed <ul style="list-style-type: none"> - Technical Assistance - Participant Long and Short-term training - Commodities - Staff/Operational costs - Evaluation/Audit - Contingency - UWI Administration 2. UWI <ul style="list-style-type: none"> - Faculty salaries, office furniture, equipment, utilities maintenance, and administrative support 3. Private Sector <ul style="list-style-type: none"> - Support for participants (fees, travel related costs) - Donations to endowment fund 			

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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; B(2) applies to projects funded with Development Assistance loans; and B(3) applies to projects funded from ESP.

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

A. GENERAL CRITERIA FOR PROJECT

1. FY 1990 Appropriations Act Sec. 523; FAA Sec. 634A. If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified? Yes.
2. FAA Sec. 611(a). Prior to an 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? Yes.
3. FAA Sec. 611(a)(2). If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance? No.

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4. FAA Sec. 611(b); FY 1990 Appropriations Act Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.) NA.
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? NA.
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. YES.
7. FAA Sec. 601(a). Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, 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. As a management training project, this activity will foster private initiative and competition. It will also result in increased productivity in tourism, agriculture and other targeted sectors
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). NA.

9. FAA Secs. 612(b), 636(h). 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. Estimated contributions of the University of the West Indies is provided in the budget. (Annex K).
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? NA.
11. FY 1990 Appropriations Act Sec. 521. 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? NA.
12. FY 1990 Appropriations Act Sec. 547. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? NA.
13. FAA Sec. 119(a)(4)-(6) & (10). Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other NO.

wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

14. FAA Sec. 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 (either dollars or local currency generated therefrom)? NA.
15. FY 1990 Appropriations Act, Title II, under heading "Agency for International Development." If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? NA.
16. FY 1990 Appropriations Act Sec. 537. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.? NA.
17. FY 1990 Appropriations Act Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures? NA.

18. State Authorization Sec. 139 (as interpreted by conference report). Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision). NA.
19. Trade Act Sec. 5164 (as interpreted by conference report), amending Metric Conversion Act of 1975 Sec. 2. Does the project use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? NA.
20. FY 1990 Appropriations Act, Title II, under heading "Women in Development." Will assistance be designed so that the percentage of women participants will be demonstrably increased? YES.
21. FY 1990 Appropriations Act Sec. 592(a). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies, has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account? NA. The project is not providing assistance to a foreign government.
NA. Local currencies are not "generated" in the sense that this refers to.

Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESP chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

Yes.

If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

NA. The project is not being implemented by a country.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FY 1990 Appropriations Act Sec. 546 (as interpreted by conference report for original enactment). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?

NA.

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

NA. The project will address general management techniques and will not be technology specific, per s

c. FAA Sec. 281(b). Describe extent to which the activity 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 civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

The project will respond to specifically identified management training requirements and will catalyze the utilization of local management consultants to meet those needs. As such, it will stimulate more effective and efficient participation by a cross-section of beneficiaries in the private sector processes.

d. FAA Sec. 101(a). 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.

e. FAA Secs. 102(b), 111, 113, 281(a). Describe extent to which activity will: (1) effectively involve the poor in, development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment 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 appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries.

This management training project will indirectly improve indigenous private sector production practices and self-help initiatives to expand the private sector. Special emphasis will be placed on meeting the needs of women managers. The project does not directly target the poor.

f. FAA Secs. 103, 103A, 104, 105, 106, 120-21; FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Does the project fit the criteria for the source of funds (functional account) being used?

YES.

g. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Have local currencies generated by the sale of imports or foreign exchange by the government of a country in Sub-Saharan Africa from funds appropriated under Sub-Saharan Africa, DA been deposited in a special account established by that government, and are these local currencies available only for

NA.

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use, in accordance with an agreement with the United States, for development activities which are consistent with the policy directions of Section 102 of the FAA and for necessary administrative requirements of the U. S. Government?

h. FAA Sec. 107. Is emphasis placed 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)?

No. The project is not technology-specific.

i. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent 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)?

NA. This is a regional project which does not require a 25 percent contribution. The grantee will contribute substantially to the project

j. 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?

The project will strengthen the capability of the Department of Management Studies to teach and conduct research on private sector management issues. The poor is not a major target group

k. 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.

See item C Supra

l. FY 1990 Appropriations Act, under heading "Population, DA," and Sec. 535. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

No.

Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? NO.

Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? NO.

Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services? NA.

In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning? NA.

Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? NO.

m. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? YES.

n. FY 1990 Appropriations Act Sec. 579. What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and

The project does not anticipate substantial procurement of U.S. technical services. HCBUs and other economically and socially disadvantaged institutions will be actively considered in selection of U.S. training institutions for the small number of U.S. Scholarships to be awarded.

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)?

o. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 167? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a

YES. A categorical exclusion has been approved.

NA.

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condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; and (11) utilize the resources and abilities of all relevant U.S. government agencies?

p. FAA Sec. 118(c)(13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project: (1) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (2) take full account of the environmental impacts of the proposed activities on biological diversity?

NA.

q. FAA Sec. 118(c)(14). Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas?

NO.

r. FAA Sec. 118(c)(15). Will assistance be used for: (1) activities which would result in the conversion of forest lands to the rearing of livestock; (2) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (3) the

NO.

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colonization of forest lands; or (4) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

s. FY 1990 Appropriations Act Sec. 534(a). If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?

NA.

t. FY 1990 Appropriations Act Sec. 534(b). If assistance relates to energy, will such assistance focus on improved energy efficiency, increased use of renewable energy resources, and national energy plans (such as least-cost energy plans) which include investment in end-use efficiency and renewable energy resources?

NA.

Describe and give conclusions as to how such assistance will: (1) increase the energy expertise of A.I.D. staff, (2) help to develop analyses of energy-sector actions to minimize emissions of greenhouse gases at least cost, (3) develop energy-sector plans that employ end-use analysis and other techniques to identify cost-effective actions to minimize reliance on fossil fuels, (4) help to analyze fully environmental impacts (including impact on global warming), (5) improve efficiency in production, transmission, distribution, and use of energy, (6) assist in exploiting nonconventional renewable energy resources, including wind, solar, small-hydro, geo-thermal, and advanced

biomass systems, (7) expand efforts to meet the energy needs of the rural poor, (8) encourage host countries to sponsor meetings with United States energy efficiency experts to discuss the use of least-cost planning techniques, (9) help to develop a cadre of United States experts capable of providing technical assistance to developing countries on energy issues, and (10) strengthen cooperation on energy issues with the Department of Energy, EPA, World Bank, and Development Assistance Committee of the OECD.

u. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA" (as interpreted by conference report upon original enactment). If assistance will come from the Sub-Saharan Africa DA account, is it: (1) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (2) being provided in accordance with the policies contained in section 102 of the FAA; (3) being provided, when consistent with the objectives of such assistance, through African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (4) being used to help overcome shorter-term constraints to long-term development, to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take

NA.

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into account, in assisted policy reforms, the need to protect vulnerable groups; (5) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

v. International Development Act Sec. 711. FAA Sec. 463. If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (1) the world's oceans and atmosphere, (2) animal and plant species, and (3) parks and reserves; or describe how the exchange will promote: (4) natural resource management, (5) local conservation programs, (6) conservation training programs, (7) public commitment to conservation, (8) land and ecosystem management, and (9) regenerative approaches in farming, forestry, fishing, and watershed management.

NA.

w. FY 1990 Appropriations Act Sec. 515. If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?

NA.

THE UNIVERSITY OF THE WEST INDIES
CAVE HILL CAMPUS, P.O. BOX 64 BRIDGETOWN, BARBADOS



IN REPLY PLEASE QUOTE
OUR REFERENCE178/1

Telex UNIVADOS WB 225"
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Red

1990-08-22

Mr. Aaron S. Williams
Director
Regional Development Office/Caribbean
USAID
P.O. Box 302
BRIDGETOWN

Dear Mr. Williams,

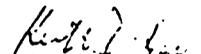
The University of the West Indies (UWI), Cave Hill Campus, hereby submits an application to you for a grant of US\$3,224,100 to assist in a follow-on programme to the Regional Management Training Pilot Project. The objective of the assistance is to assist in alleviating the shortage of skilled upper and middle managers by enhancing delivery of management education, training, research and consultancy services to the private sector in Barbados and the Eastern Caribbean.

Specifically, assistance is requested to enable UWI to enhance its capabilities in two areas: development of a Centre for Management Development and upgrading the staff and curriculum of the Department of Management Studies of the UWI Cave Hill Campus. The Centre will be a semi-autonomous institution of UWI and will be directed by a Board comprised of a majority of private sector representatives. It will deliver quality services to the private sector, including innovative management seminars, consultancy services, an Executive MBA programme, instructor development programmes for management training institutions and research on topics of business or economic interest to the region. The grant will also strengthen the Department of Management Studies through long-term and short-term staff training, development and revision of undergraduate and graduate courses, development and procurement of materials, and the procurement of computer and audio-visual equipment.

To support this follow-on programme, the University will contribute approximately \$300,000 as overhead expenses. Additionally, we intend to establish an Endowment (Reserve) Fund, and will solicit contributions from the Eastern Caribbean private sector to this fund beginning this year. Finally, the University expects to continue to offer services to the private sector through the Centre for Management Development at market rates to ensure the sustainability of the Centre.

I look forward to your favourable consideration of our request.

Yours sincerely,


Keith D. Hunter
Principal

INITIAL ENVIRONMENTAL EXAMINATION

Project Location: Caribbean Regional
Project Title: Regional Management Training
Project Number: 538-0148
Funding: \$5.9241 million
Life of Project: Nine and one half (9 1/2)
years

Project Description:

The purpose of the amended project is to assist in alleviating the shortage of skilled upper and middle level managers by enhancing the delivery of management education, training, research and consulting services to the private sector in Barbados and the Eastern Caribbean.

Over the five year extension, the project will continue to deliver high quality, cost effective management training to senior executives and managers in Barbados and the Eastern Caribbean. It will strengthen the Department of Management Studies through long term and short term staff training, development and revision of undergraduate and graduate courses, development and procurement of materials, and the procurement of computer and audio-visual equipment. The amendment will also establish a Center for Management Development which will deliver quality services to the private sector, including innovative management seminars, consultancy services, an Executive MBA (EMBA) program, instructor development programs for management training institutions and research on topics of business or economic interest to the region. Additionally, the Center will promote coordination and collaboration among the private sector, the University of the West Indies and other regional management training and development institutions. This Center will be fully self-financing by the end of five years i.e. by the extended PACD of July 31, 1995.

This amendment provides an additional \$3.2241 million in USAID grant financing. This brings the total amount of USAID financing for this project to \$5.9241 million. The project is being extended for another five years for a total life of project of nine and one-half years.

Environmental Impact:

As in the case of the Pilot Project, the amended Project will not involve activities that have a harmful effect on the natural or physical environment. A negative determination is, therefore, recommended.

IEE prepared by:

Stafford A. Griffith
Stafford A. Griffith
Senior Education Project Manager

Date:

June 12, 1990

Environmental Action:

Negative Determination

Concurrence:

A. S. Williams
Aaron S. Williams
Mission Director
USAID Regional Development
Office/Caribbean

Date: 8/21/90

Clearances:

C/HPE: CBecker

(draft)

C/PDO: JKooten

(draft)

ARDO: RNiec

(draft)

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AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20522

LAC-IEE-90-46

ENVIRONMENTAL THRESHOLD DECISION

Project Location : RDO/C

Project Title : Regional Management Training

Project Number : 538-0148

Funding : \$5.9241 million

Life of Project : 9.5 years

IEE Prepared by : Stafford A. Griffith
Project Manager

Recommended Threshold Decision : Negative Determination

Bureau Threshold Decision : Categorical Exclusion

Comments : The Project qualifies for a categorical exclusion under Section 216.2(c)(1) "The action does not have an effect on the natural or physical environment," and under Section 216.2(c)(2)(i) "Educational, technical assistance, or training programs ...," of 22 CFR.

Copy to : Aaron Williams, Director
USAID/RDO/C

Copy to : Stafford A. Griffith, USAID/RDO/C

Copy to : Dianne Blane, LAC/DR/CAR

Copy to : REA/CAR

Copy to : IEE File

John O. Wilson Date AUG 30 1990

John O. Wilson
 Deputy Environmental Officer
 Bureau for Latin America
 and the Caribbean

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DETAILED TECHNICAL ANALYSIS

This section provides the detailed technical analysis and rationale for the design of the project. The purpose of the technical analysis is to examine the feasibility of the proposed design. It must demonstrate that it is possible to implement the project in the form proposed. It must also demonstrate that the proposed design is technically the most suitable and effective approach to achieving the goal and purpose of the project. The analysis is presented by project component and by activity within each of the three components.

1. Establishment and Operation of the Center for Management Development (CMD)
 - a. Rationale for Establishment of the Center

One of the principal constraints to economic growth in the Eastern Caribbean is the lack of a sufficient quantity and sufficiently high quality middle and senior level managers in public and private sector organizations. Addressing this critical human resources constraint will require the combined resources and input of all of the region's management education and training organizations. Presently, several organizations provide training at various levels and in several functional areas of management. Responding to the market for training services, these organizations have found, and are serving, their respective niches in the market. However, the efforts of these training organizations have historically been disparate and uncoordinated. As a result, some market demands have not been met. For example, until the Regional Management Training Pilot Project tested the market for special seminars and symposia for high level executives, and senior managers, there was no such training. The Pilot Project demonstrated that the demand existed and that companies were quite willing to pay market fees for their managers to get this training. During the Pilot, the training was provided under the auspices of the Project Implementation Unit (PIU) at UWI/Cave Hill. Seminar and symposium participants, and their employers, have affirmed the value of these training activities in upgrading the management skills of the trainees. There is a continued need and demand for these courses among top executives and senior managers. With the completion of the Pilot Project, a new entity is needed to meet this critical regional management training need.

Through the deliberations of the Consortium and through the Consortium's dialogue with RDO/C, a proposal emerged for the establishment of a Center for Management Development (CMD). The CMD was conceived as a semi-autonomous entity of UWI/Cave Hill, which would operate as a self-supporting organization under the direction of its own Board of Directors, and which would provide management education and training and consulting services to the countries of the Eastern Caribbean. The CMD would play the very important role

of improving the linkages and working relations between the University and the private sector firms, who serve as "consumers" of the management studies graduates that the University produces. Improved communication alone could significantly improve the University's understanding of the private sector's needs, and it could promote the business community's support of University programs that directly serve the management and training needs of the private sector.

Because of the model offered by the Pilot Project's PIU, the proposed CMD, operating as a semi-autonomous entity of UWI/Cave Hill, is a fully feasible and necessary element of the Regional Management Training Project. Further, the potential for coordinating and rationalizing the region's disparate management education and training effort was shown by the Pilot Project's Consortium. A predominantly private sector Board of Directors for the CMD could achieve the full potential of such a forum. The effectiveness will be significantly enhanced by a modest start-up, in terms of its staffing level-of-effort and its first-year programming. Critical to the short- and long- term effectiveness of the CMD will be a well-defined mission statement and clearly articulated objectives by the Board of Directors. The CMD's mission and objectives must be formulated through strategic planning carried out as a first priority project activity.

b. Strategic Planning Process

The Board of Directors of CMD will consist of executives from the University, the private sector and other training institutions. As each will have individual interests and pressing demands on his or her time, a mechanism is needed to build a team of mutually reinforcing members, with common objectives. A strategic planning process is a good instrument for team building, and it will have the added benefit of producing a strategic plan and a time-table for implementation of the CMD's activities. CMD should contract the strategic planning exercise to a neutral and experienced process facilitator.

In a three (3) day retreat, the facilitator will guide them through a planning process that would include the following steps:

1. Conduct historical review
2. Define broad mission
3. Do situation analysis
4. Forecast assumptions.
5. Identify priority issues.
6. Identify stakeholder desires.
7. Modify mission statement
8. Establish policies
9. Determine objectives
10. Determine momentum
11. Generate Strategies
12. Define action plans

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13. Assign responsibility
14. Set out time-table
15. Monitoring and feedback system.

At the end of the process the Board will have answered the three most important questions in any business venture:

- "Where are we now?"
- "Where do we want to go?"
- "How are we going to get there?"

The process requires a five-year forecast, a three year strategic plan, and an 18 month detailed action plan. With this systematic setting of directions, determination of priorities, definition of operational processes, and setting of action time lines, the Center will be poised to undertake the activities proposed in this Project Paper Amendment.

c. Training Needs Assessments: Demand and Supply

Much of the information on which assumptions have been made regarding the need for management training comes from data collected and published over five years ago. The original Project Paper and the Evaluation Report of the Pilot Project base their management needs rationale on this now dated information. Further, the data from the 1985 Dogget/Felton report on training needs in the Caribbean was collected over the entire Commonwealth Caribbean area including Trinidad-Tobago and Jamaica. Unfortunately, the data is not broken out in such a way as to give a clear picture of needs in Barbados and the Eastern Caribbean, even as it was over five years ago.

As a first action, it is necessary to collect the information on which future decisions can be made. To do this, it is imperative that a survey be conducted that will assess both training demand and supply. This can be accomplished through contracting a company fully experienced in this work or by engaging an expert to train a local group of researchers in how to design data collection instruments, perform interviews, process and analyze data, and write a research report.

To ensure that the concerns of all the interested parties are met, a meeting with members of the CMD Board of Directors will be convened to determine the information they would find useful. The minimal data to be collected on the demand side will include:

Profiles of prospective clients: type of business, size of company, number of employees, annual revenue, levels of management, type of ownership, employee profile (years of service and levels of education.)

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Type of training required by function and by level, location of training, duration of training, problem or opportunity areas, willingness to pay, past experience with training organizations used and level of satisfaction.

Number of UWI graduates employed, anticipated need for UWI graduates and the discipline which require priority attention and the need for MBA's or EMBA's.

The second part of a management needs assessment - the supply side - is as vital as the first. It will entail assessing the management training delivery capability of organizations in the region. During the Pilot Project, the capabilities of two of the organizations were assessed. A fairly extensive review of UWI, Cave/Hill was carried out, and much of the information used by this design team came from that review. A much shorter review of BIMAP's capability was also conducted.

The Project presently needs a standardized diagnostic instrument that will allow the assessors to identify what training is being done by whom, and how effectively and efficiently it is being done. The information to be collected will include:

Profile of the training services organization: type of business, size of company, number of employees/training staff.

Types of training provided, frequency and duration of course offerings, entry requirements, credentials awarded.

Cost to the trainee and to the organization to conduct the training.

Geographic coverage of training offered.

With five principal training organizations/institutions in the region and another five training organizations of lesser prominence, ten training providers will be evaluated. A detailed report will be prepared for each organization, citing strengths and weaknesses, and making recommendations for improvement.

After the demand and supply assessments have been completed, their findings will be matched to determine the gaps between current training demand and supply capability in the region. The assessments will guide the allocation of any Project resources that might be used to improve overall training delivery capacity of established and emerging training organizations.

Further, the current overlapping and conflict of scheduling in existing training programs could also be reduced using the findings of the two assessments. Additionally, the assessments will assist management education and training institutions to contribute more effectively and efficiently to the goal of the project.

Although the two assessments will be complementary, they need not be carried out by one contractor. Two contracts could be let, providing each contractor knows what the other is doing.

2. Management Training Programs

a. Courses and Symposia

Data available from the Pilot Project indicates that 282 managers attended 9 events, over a two year period (3 symposia, 2 conferences, and 4 seminars). These courses were presented by the Project Implementation Unit at UWI/Cave Hill. We know, therefore, that top managers will attend, at least a limited number of events each year.

We know that during the same period, the other members of the consortium trained additional managers throughout the region quite successfully. The training market is, to a large extent, defined by three levels of training: supervisory, middle management and senior management training with the last accounting for only a small share of the market. For the period of January 1988 to January 1989 BIMAP trained 1,800 managers (80% in Barbados); CAIC trained 800 (80% outside Barbados); and CARICAD trained 410. Combining all of this hard data we know that in 1988 there was a demand in the region sufficient to train a total of 3,010 managers.

The level of payment for training varies by institution and by the country of delivery. Fees charged by these institutions in US dollars were:

BIMAP: \$100-200
CAIC: \$40-125
CARICAD: \$75-200

As indicated in the project paper and the evaluation report, the only segment of the market that is not adequately served by other training institutions is the top management segment that the Pilot Project served.

The size of the market for top management programs cannot be accurately determined without an up-to-date regional management needs assessment. Estimates by executives from the private sector attending a meeting hosted by the university suggested from 400 to 600. The Pragma Evaluation report suggested that the market would support annually two symposia and four seminars.

Based on an average of 20 managers per event, this would mean 120 top managers would be trained each year. Based on past ability to charge a \$815 fee for a symposium, and \$625 fee for a seminar, these programs would be able to recover the full cost of putting them on. It is important to recognize, however, that this market niche is small and is not likely to grow quickly. Six

programs per year, each attended by 20-25 participants paying a uniform fee of \$625 for both seminars and symposia would adequately satisfy the demand on a continuous basis, and do so on a full cost recovery basis.

The income from such events, however, would not be enough to support the cost of a Center's overhead cost of salaries and administration. It would, however, more than cover the direct cost of the programs. Other organizations in the region charge less than half the fee the pilot charged and recover the cost of the course, plus overhead. They do so by conducting 90 to 100 courses a year, not six, and are experienced in the business. If the Center's staff and office administration are sustained by some other means, it will have no difficulty in conducting 6 programs annually on a full cost recovery basis; in fact they would even earn a profit for the Center. Based on an average attendance of 20 participants (based on the average attendance under the Pilot), each paying a fee of \$625 would generate \$12,500 in gross income. Direct costs to deliver the seminar or symposium would average \$8,750, for a net gain of \$3,750. The net income or contribution to CMD overhead each year from the seminars is projected to be approximately \$22,000 (6 x \$3750).

In essence, therefore, the key to the success of a management training program for top executives will rest in the ability of the Center's Director to market these events to at least 120 individuals a year. The seminars/symposia will have to be organized around topics of sufficient interest to executives and presented professionally by well trained instructors. Aggressive marketing could raise this figure perhaps to 150, 25 participants per event.

b. Training Resources and Training of Trainers

Management education and training organizations throughout the Americas and Europe are conducting seminars every week from which Barbados and Eastern Caribbean managers could benefit to some degree. If these same seminars were adapted and presented locally, managers would find them even more beneficial. It is not necessary, therefore, at the outset to try and create whole new seminars on subjects that are being taught elsewhere with tested and proven resources. Rather, the challenge will be to analyze what needs to be taught in Barbados and the Eastern Caribbean, and then select and adapt appropriate resources to those needs. By forging linkages with other management development institutions in the USA, Canada, United Kingdom, Australia, New Zealand, India and Central America, the CMD can obtain and exchange materials on a wide range of management subjects. In addition, films, video, text books and training instruments are available through a variety of commercial publishers. By joining the American Society for Training and Development (ASTD), the Center can obtain current directories listing all such resources and their suppliers. A.S.T.D. is headquartered in Washington DC; names and addresses of other

international management associations can be obtained from the Management Information Service of the American Management Association in New York (135 W 50th Street, New York, 10020).

The American Management Association (A.M.A.) is also one source that should be investigated for complete course manuals. The A.M.A.'s extension institute division publishes over seventy home study management training manuals. These manuals, covering so many management subjects, could form the core material around which many seminars would be designed. This branch of A.M.A. has a university program which offers these manuals along with other training aids to universities and colleges at a reduced cost. The institute might consider offering its own extensions service to managers off the island of Barbados. In addition to course manuals, the Center could endeavor to purchase film and video cassettes on such generic management subjects as communications, problem solving, time control, conflict resolution, negotiations, management styles, etc. These visual aids would enhance courses and stimulate discussion.

Other business simulation materials that should be added to the Center's library, such as role plays, case studies, decision making and problem solving exercises, can be purchased in bulk or re-printed for very small royalties, many are in the public domain and may be re-printed at will. Having a library of current management texts is also essential for a new training center at the outset in order for instructors to research and develop course material. A basic library of 200 or 300 management texts would be enough for a start.

With a good inventory of proven management training materials, the Center will be able to start its programs quickly. It should, however, set a goal to develop its own materials, which reflect local business conditions. Case studies can be written on Barbados and Eastern Caribbean companies; negotiating exercises can be designed around local labor situations; accounting companies can assist in designing seminar materials on finance; law firms can assist in designing materials for seminars on tax laws; import and export regulations, etc. This, in fact, should be one of the on-going roles of the research arm of the CMD. All such research and development of local materials should be budgeted separately from the day-to-day running of the business. Funding for such activities can more often be solicited from private industry than can funding to run a business that should be self-supporting.

Once the CMD has its resource base of materials, it must begin developing its human resource base of instructors. The strength of the Center will lie in the ability of its instructors to inspire and teach the principles of management in a way that will build a following for the organization. Since the Center does not have products as such, its reputation will be built on the appropriate selection of topics and the manner in which they are presented to mature and experienced business people. To instruct these experienced business people, instructors must use highly

participative techniques and interactive materials. To ensure the highest calibre of instruction it is incumbent on the institution to first train its instructors and closely monitor their work until satisfied with their ability to meet the expectations of this audience. If it is planned to use only a small number of instructors, they could be sent to "Train the Trainer" courses in the USA. However, if the organization is to grow, it will need a large cadre of instructors who could be trained in the Caribbean as a group at a much lower cost. This would have the added advantage of the center being able to monitor their performance and help mold the group into a team.

c. Research and Consulting Services

The Pilot Project did not include a research and consulting services component.

While some University professors did independent consulting during the Pilot, the key question is whether these independent consultants would be willing to allow the Center to set a fee structure for their services that would allow the Center to earn revenue at the same time that the consultant earns his or her standard fee. The risk for the consultant would be the possibility that the market would not bear a fee that included an overhead or other mark-up charge by the Center.

In Barbados and the Eastern Caribbean, the rates paid for consulting services varies. The Caribbean Development Bank uses a lot of such services and pays what it considers top scale.

<u>SCALE</u>	<u>PER DAY</u>
Independent - regular consulting	\$250 U.S.
Independent - consulting specialist	\$300 U.S.
Large firms with multidisciplinary consultants	\$400 U.S.

If the Center could position itself to be accepted as a consulting services supplier similar to a large consulting firm, based on the premise that it had at its disposal all of the faculty who represent all disciplines, it too would be able to charge \$400 per day. In, turn it could offer the consultants and professors \$200 per day. Given that these faculty members, as independents consultants, could only charge clients \$250 per day, and given that the Center would do all the marketing of their services, this would argue that such an arrangement would be acceptable to independent consultants.

Since the primary responsibility of the Center Director is marketing, he would be in contact with major companies selling the top management programs and the Executive MBA program. Marketing

consulting services would just expand his product line and would not require additional marketing staff. It would incur costs for printing brochures and literature that describes services available and provides a capability statement with biographies of the faculty. Considering the number of faculty and the present market needs, it would not be unrealistic to estimate that the Center would sell and deliver 3 days consulting per month or 36 person days per year. This would earn for the Center \$7,200 per year, less \$2,200 for marketing support material or a net of \$5,000 per year as a contribution to the Center's overhead.

The great value of such activities is the interaction that would develop between the private sector firms and the University. Even though faculty are not able to respond to the time demands ("We want it yesterday") as are private consultants, they can undertake research assignments that are less time-sensitive and are very much needed by Eastern Caribbean firms who need reliable information to make investment decisions. With the average salary of a UWI faculty member at \$90.00 per day, proposed consulting fees of \$200 per day would be attractive.

d. Satellite Centers

The major concern expressed by private sector beneficiaries of management training from islands other than Barbados was that most training and education in management is available only in Barbados and Trinidad.

BIMAP indicated that 80% of its courses are offered in Barbados and the University has only extra mural programs sporadically offered away from Barbados. C.A.I.C does offer 80% of its services in the other islands and is perceived by some as the principal source of training delivery. CARICAD holds training seminars on all the islands at the request of the local governments. Private Sector Managers from Antigua, St. Kitts, Grenada, and St. Lucia, all expressed the desire for more training presented on their islands. It was expressed best by one from St. Kitts who said, "You can't always get to Barbados but you can always cross the street." Each island has a local Chamber of Commerce that arranges, on an ad hoc basis, intermittent training. The Acting Director of OECS Economic Affairs Secretariat said he would welcome assistance in providing more training on the islands. Further he felt a strategy should be developed to deliver training within each country using local resources such as Chambers of Commerce or other associations.

CMD will offer some of its top management courses and symposia on different islands from time to time. It is also planned that CMD'S Executive MBA program will offer week-end courses on islands other than Barbados. The CMD will also be prepared to act as a broker to have seminars conducted anywhere in the region. However, an anticipated obstacle is that there are very few logistical support organizations on the other islands. To address this problem, the Project proposes that CMD have a contractor carry

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out an investigation of the various existing institutions, associations, and private organizations that could act as satellite training centers on the islands. Once these satellite centers are identified and have agreed to the local logistical support arrangement, they would be assisted by the Project to strengthen their own training capacity. This assistance will include training of trainers, and provision of training supplies and equipment to be used by their own trainers and by CMD any CMD trainers/consultants carrying out training activities on the island. Establishment of the satellite centers will allow other private sector training organizations such as BIMAP and CAIC to extend more of their programs to the less accessible islands.

These strengthened local training organizations, serving as satellite centers for the CMD, will contribute significantly to the overall training services delivery capacity of the region's various training organizations.

d. Executive MBA

Existing data from the questionnaires, interviews, and discussions conducted by the Pilot Project Final Evaluation team, and form interviews and discussions conducted by the PP Amendment Design Team indicate that the private sector believes there is a demand for "a part-time Executive MBA degree". Expressions of support for such a program also came from the public sector, where it was believed that such a program would assist managers of government departments and parastatals to better understand and interact with the business sector. The heads of two of the largest utilities, power and telephone, said that there were executives in their organizations who would be encouraged to take such a program if it were offered in Barbados and did not require leaving their jobs for extended periods.

One of the objectives of the management needs analysis should be to clarify the potential market for an Executive MBA degree. Although the market is not believed to be large, there is believed to be pent-up demand at present. This demand could be sustained with the increasing number of persons who hold or are completing undergraduate degrees and are employed. It has been estimated by the University that there are 400 to 500 persons with BSc degrees who are presently employed in the region and who would be potential candidates.

Assuming a small program of 20 participants a year for a two year degree and assume a tuition of \$5,000.000 US per year based on the experience of Nova University program and UWI Mona's program in Jamaica, the gross income flow from the first year of this program would be \$100,000 (20 participants x \$5,000/participant). In the second and subsequent years, the gross annual income flow will \$200,000 (40 participants x \$5,000/participant).

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The cost to produce such a program will be as much a policy decision as any other factor. The policy has to do with the design, how many course modules, level of compensation for faculty, location of classrooms, what materials will be supplied.

CMD will contract university faculty (initially from all three UWI campuses) to teach the courses in the program, which will be presented on weekends (Friday afternoon and Saturday) beginning in Year 4 of the Project. Each year of the program will be comprised of six courses of 45 contact hours each. Students from both Barbados and the other islands should be able to attend with company support in the form of time-off on Fridays (18 days per year), and in most cases companies paying tuition.

The program will incur a delivery cost of \$4,000 per course (of which six per year are offered, total delivery cost of \$24,000 in the first year, and \$48,000 per year in subsequent years. This yields a net income for the EMBA of \$76,000 in the program's first year (Year 4 of the Project), and \$152,000 per year in subsequent years. On the basis of these income projections, the venue for week end sessions could be moved from one Eastern Caribbean island to another if demand required it.

It will be the responsibility of CMD to market this program. The CMD will schedule the weekend programs to take maximum advantage of visiting faculty and to respond to the needs of students who have greater distances to travel. The University has approved the design that is being offered at the UWI/Mona Campus; using this model for the Cave Hill program means that there will be minimum design costs.

Upgrading the Capacity of the Department of Management Studies at UWI/Cave Hill, Barbados

a. Overview of the Analysis

This aspect of the technical analysis section focuses on those elements of the project amendment involved in upgrading the institutional capabilities of the Department of Management Studies (DOMS), at UWI/Cave Hill. This component of the Project will be directed primarily to strengthening the capabilities of that institution and its faculty to deliver effective management education programs to students enrolled in its formal degree programs. This component will build upon the experiences of the Regional Management Development Pilot Project. These activities respond, in particular, to the needs demonstrated by the evaluation of DOMS conducted as a part of that project, the observations of the Final Evaluation of the Pilot Project, and also to a proposal for institutional strengthening developed by UWI.

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This institutional strengthening activity is an integral part of the Project, and is directly supportive of the stated goal and purpose in two ways. First, DOMS is an important supplier, through its BSc program, of entry level supervisory and middle management personnel. Enhancement of DOMS capacity and capability to deliver education in new topic areas, and in a manner that is responsive and relevant to business needs is of immediate and long term benefit to private sector performance and development. Second, project design requires that the CMD rely on DOMS faculty for implementation of some of the services it will provide to the private sector. This complementarity requires appropriate strengthening of DOMS resources, which contributes directly to CMD performance.

b. Analysis by Activity

(1) DOMS Staff Development

(a) Long-Term Staff Development

The achievement of the purpose and objectives of the project depends upon the existence of a strong and motivated staff of DOMS. The project evaluation conducted under the Pilot and several internal self studies conducted by UWI, Cave Hill have identified several staffing problems. First, current staff numbers are insufficient, relative to student demand and enrollment. The dedicated staff of the department has attempted to meet this demand by permitting a large number of students, beyond the number for which adequate resources are available, to enroll in the programs. This staff capacity constraint has, according to UWI officials, resulted in faculty to students ratios that are as much as 50% above the levels considered desirable and targeted for planning purposes. Moreover, this capacity constraint also results in a large number of students who meet all of the requirements and qualifications for admission being denied access to the DOMS programs. Table I below indicates that for the department as a whole, 1.6 qualified students are rejected for each student accepted. University officials report that this is among the highest such ratios in the university and that the trend has accelerated in recent years. Present unofficial estimates are that five qualified applicants are now rejected for each place offered.

Lack of qualified faculty constitutes a bottleneck for providing trained individuals for entry level management careers. The effects of this situation on university staff have been much higher work loads and the added burden of teaching courses which are not in their area of expertise. This has, in turn, cut into time available for critical tasks of course development, research and outreach.

Second, necessary areas of management expertise are inadequately represented among current staff. UWI analysis and the Arthus D. Little review cited above have identified priority faculty skill needs to respond to both present deficiencies and additional

requirements resulting from curriculum modifications necessary to respond to the needs of a changing economy and private sector. These priority areas are international business, marketing, finance, management science, and tourism management and planning.

UWI analysis has indicated that long term training is needed to upgrade two members of the current eight-person full-time staff to the PhD level. Also, appropriate training to the masters level is needed for four new additions to staff who will be hired and available as university authorization for new posts is obtained. These discussions are currently underway and additional positions granted will be available starting the August 1, 1993 - 1996 triennium.

The guidelines and procedures for participant training will vary for current and new staff members. Current staff will be trained to the PhD level including completion of dissertation. Given previous training levels, experience in teaching and business research, and university expectations for intense, year round, full load scheduling, it is anticipated that class work can be completed in approximately two calendar years and the dissertation in one more. This would also allow the possibility for some overlap of coursework and dissertation work if scheduling difficulties arise. Completion of the dissertation before returning to UWI is considered critical, for two reasons. First, US university statistics indicate that the majority of faculty who leave to take up full time teaching posts before completing the dissertation never actually finish, or take inordinate time to do so. Second, in the context of this project, upgraded faculty are expected upon return to fully participate immediately in the variety of institutional development activities envisioned, such as normal load class teaching, student tutorials, course development, teaching material development and, where appropriate, participation in research, consulting, and executive training activities. Incomplete dissertations would retard this necessary involvement.

Currently employed faculty selected for long term training will be eligible for the normal university treatment under its in-post study leave policy. This means that in post (currently employed) faculty selected will be paid their normal university salary, reduced by the cost of hiring temporary short term, part time replacements to cover the normal teaching load of 4 semester courses per year. This implies that in-post training will impose no financial staffing burdens to hire replacements on DOMS and that adequate maintenance for families and fixed costs not covered by AID maintenance allowances will be available.

These policies will also enhance the UWI counterpart contribution and demonstrate commitment to the project.

The exact nature of the training required and the specific schedule required for training of new staff cannot be anticipated totally in advance. The most likely candidates are recent UWI

honors graduates in management studies who would be attracted to an academic career. This group of BSc graduates also offers the additional advantages of being known to the faculty which taught them, recently trained and current in the prerequisite tools for graduate study. They are likely to enter the faculty at the lower ranks (and thus counterbalance a somewhat disproportionately heavy senior faculty), and are also reasonably mobile and available for training. This latter factor is important, since the university salary continuation may not be available for this group and AID maintenance levels are somewhat inadequate for those with families to support. Consequently, the recommendation for the amount of masters level training is merely indicative. If necessary, it may be appropriate to program PhD training in place of masters training. For this reason, additional funding for one year of studies (necessary to bring one of the candidates to PhD status) is included in the budget under the line item tuition supplement.

It is expected that the students who take masters degrees will pursue, preferably, a Master of Science (MSc) degree or its equivalent in the appropriate subject offered by an American Assembly of Collegiate Schools of Business (AACSB) accredited graduate school of business. The MSc is preferred to the MBA degree because it offers, at most universities, greater opportunity for specialization and more in-depth training in a specific subject area than does an MBA, which by design is a generalist business degree. The MSc emphasis on specialization and research methods, as well as content knowledge, is more appropriate for training of academic staff. If MBA degrees are pursued, the program of study of the individual student should allow the opportunity for approximately four elective courses in the specialization area beyond normal degree requirements. This preparation is believed by UWI to be adequate for teaching in its BSc program.

Given the importance of faculty development in the enhancement of DOMS capabilities, UWI will be required to submit to AID for prior approval a detailed training plan within three months of the signing of the Project Agreement. The plan should address selection procedures and study leave arrangements where appropriate as well as plans to fully utilize returnees.

Training arrangements will be managed by RDO/C, operating through its normal procedures for participant training management. AID-funded training implies some standard conditions regarding accompanying dependents, maintenance allowance, obligations to employer upon return, and visa limitations that trainees should acknowledge in writing and agree to accept as a prerequisite for support. This is considered the most cost effective and expeditious alternative, given the low level of activities and existing RDO/C capability.

Doctoral and MSc study of the type envisioned is offered by a relatively small number of US universities. Fewer than 100 US universities offer doctorates in business and many of these programs are young, small, and do not offer a complete range of programs. Likewise, the number of suppliers of MSc training in the areas specified is limited. For example, fewer than 25 US universities have masters programs in international business of any magnitude. This suggests that opportunities to select low cost-of-living areas or moderate-tuition-cost universities may be constrained by the nature of the training required. For this reason a budget line item for tuition supplement (estimated at US \$30,000) is included to accommodate the possibility that limited program availability will require, in some cases, expenditures somewhat above the average AID budget guideline. This tuition supplement item also includes US \$20,000 (equivalent to 1 year average training costs) as a contingency to accommodate possible variances in academic background and level of training needed for those new staff who are not yet identified, as explained above. The amounts stated above are distributed over the life of the project and are adjusted for the effects of inflation in the budget presentation.

(2) Short-Term Staff Development

The project will provide a variety of short-term training activities designed to supplement the ability of DOMS staff, particularly those for whom additional formal academic degree education is not necessary, to develop new skills, retool, or upgrade DOMS teaching, research, and managerial capacity in areas that are important to the achievement of project objectives. Thus, the primary purpose of this training is to reform and develop the basic instructional resource of the university, its faculty, so as to make delivery capacity more responsive to the training needs of the private sector. This will, in turn, impact on both the quality of the manpower training provided by the undergraduate and executive MBA programs, and the relevance of the executive seminars and symposium delivered by CMD which, in part, especially from the last years of the project, will begin to rely more significantly on DOMS faculty.

Given the variety of approaches and training modes possible, a wide diversity of options is considered appropriate. Opportunities offered may include observation and taking part in executive development programs abroad; visits to US academic institutions for consultation in specific areas; attendance at formal US faculty development programs, such as the ITP at Harvard, the international business teaching workshop at the University of South Carolina, the INCAE, PDU, the University of Nebraska program in teaching business ethics, or the like; attending formal

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academic classes; or pursuing academic certificate programs, such as the FIU graduate certificate in international business; or various professional association training programs. To the extent possible short term visits will also be programmed and scheduled to coincide with major professional association activities (which also feature significant professional development programs), meetings, special conferences, or seminars.

A second type of short term training could be provided by seminars in Barbados for DOMS faculty, perhaps organized in response to a common, identified training need and provided by either local suppliers or a US university or other collaborating institution.

Aside from the cognitive knowledge and skills developed, such short term training is also intended to broaden the attitudes and perspectives of DOMS faculty. The exposure to a range of current business practices, and observation of the efforts of other business schools to develop programs responsive to private sector training needs should also provide an expanded vision of the possible role of business education. This type of attitude change may be especially important, given the social science orientation and origins of DOMS curriculum, faculty, and organization.

Previous research in short-term training management repeatedly demonstrates that participant selection, adequate assessment of training needs, and development of an appropriate training request which is communicated to training suppliers are all essential for successful experiences. For this reason, and given the variety of approaches likely to be employed, it is essential that a carefully designed training program be worked out for each participant. Selection of participants is straight-forward, since eligibility will logically be limited to those who deliver DOMS teaching programs, i.e. full-time and part-time DOMS staff and faculty from other departments of the university which service DOMS students, primarily the department of economics. Selection decisions will be made by the DOMS department head, based on priority development needs identified in the assessment conducted by the Pilot Project or subsequent evaluations. Identification of training needs and specification of training program activities will be addressed by a requirement for the development of a specific training request prior to authorization of each training activity. This request should clearly describe the specific training requested in detail, justify the request in terms of the recipient's background and skills, detail costs, and, most importantly, describe exactly how the results of the training will be utilized in the department.

University analysis has indicated that approximately 30 person weeks of training over the life of the project, equivalent to approximately 9 programs averaging 2-3 weeks each are required for the level of faculty short term development requested. For budget estimation purposes it is assumed that costs will approximate those of the Advanced Developing Country Training Program for short term US training, i.e., US \$2,000 per week for maintenance and program fees. Round trip airfare is estimated at US \$500 per trip. Since training conditions will be governed by standard AID policies, procedures, and allowances, it seems most cost effective and administratively efficient to manage training through RDO/C's training management contractor. Hence, the standard 20% administrative fee for this purpose is also included. Training is assumed to be equally distributed over the first 3 years of the project. Since some training may be most efficiently delivered to a group of faculty in Barbados, flexibility should exist to include this option. For budget purposes, this option is not shown as a separate item, since it is assumed that it will substitute for some short term training, at approximately equivalent costs.

Design and Development of a Restructured BSc Management Studies Degree Program and Courses

(a) Course Manual Development

A strong BSc program in management studies is essential if the managerial needs of the private business sector are to be met effectively in the medium to long term. The evaluation of the DOMS conducted as part of the Regional Management Training Pilot Project emphasized the need and high priority that should be attached to upgrading the BSc programs. The salience of these recommendations is underscored by two additional strategic considerations:

The UWI has just approved a new credit and semester system which is about to be implemented. This change will necessitate review and modification of courses to accommodate this new framework. Thus, more comprehensive course revisions may be appropriate, well received, and more easily effected at this time, given this environment.

DETAILED SOCIAL ANALYSIS

I. Socio-Cultural Feasibility

The inadequacy of management and supervisory skills in the Caribbean region is now widely recognized. In 1985, two independently commissioned studies reached similar conclusions. Both agreed that there were substantial and urgent needs, particularly at the upper levels of management; and that need and demand far exceeded supply.

The first study entitled: An Assessment of the Need for Management Training and Development in the Eastern Caribbean, which was sponsored by the Caribbean Association of Industry and Commerce and financed by A.I.D's Regional Development Office for the Caribbean (RDO/C) recommended the creation of a new management center.

However the second study, conducted by a Management Education Committee appointed by the Minister of Education in Barbados, did not agree that the time was ripe for the development of a new center. That Committee favored the expansion and improvement of programs in existing management training institutions.

Because the assessment study addressed the needs of the entire Caribbean, its data was heavily reflective of situations in Jamaica, Trinidad and Guyana. The second study, on the other hand, focused on the Eastern Caribbean. Thus, while most of the conclusions of both studies were similar, greater attention was paid to the recommendations of the study which focused on the needs of the Eastern Caribbean. So instead of a management training center, a consortium of management development institutions was created, as recommended.

This Consortium consisted of a loose confederation of the principal institutions in the Eastern Caribbean which were concerned with management development. These are: University of the West Indies (UWI), Barbados Institute of Management and Productivity (BIMAP), Caribbean Association of Industry and Commerce (CAIC) and the Caribbean Center for Development Administration (CARICAD) along with the Organization of Eastern Caribbean States (OECS) Secretariat.

Another important recommendation was the implementation of a regional pilot project.

Feedback from representatives of business and industry contributed to the formulation of the pilot project's design and content. Also, a Council for Management Development which consisted of members of the Consortium of Management Development Institutions served as an advisory body to the Pilot Project. Based upon the pilot's successful implementation, a follow-on project has now been recommended, i.e the establishment of a Center for Management Development (CMD).

It is clear from this historical review that most, if not all, of the activities to date have been preceded by broad based collaboration and acceptance by the principal institutions and target groups. The follow-on project must continue to employ this mode of operation.

Finally, it is generally appreciated within the region that management training is critical to high quality performance in both the private and public sectors, particularly in the interest of achieving and sustaining economic growth and development. In promoting this goal via the creation and functioning of CMD, special attention has been paid to the structure and composition of the Board of Management and the Advisory Board, in order to ensure high levels of collaboration by the key actors and beneficiaries.

There is no doubt that there is strong support from all sectors, including existing providers of management training and services, for the establishment of CMD as a leader and coordinator of management education and training in the Eastern Caribbean. However it is also clear that particularly with regard to the implementation process, that is, the delivery of programs and services, collaboration is critical. Open communication and frequent consultation must be sustained and nurtured on a continuing basis, in order to build and maintain high levels of trust and genuine cooperation.

II. Social Impact

Based upon findings of the 1985 studies, a principal hypothesis of this project is that improved management practice particularly, though not exclusively, in the private sector is critical to the economic growth of the region. The project also seeks to emphasize, however, the complementary of the development roles of the private, public and parastatal sectors. Hence the social impact of the project on the region will be considerable, and will be experienced by a wide range of beneficiaries, both directly and indirectly.

A. Direct Beneficiaries

Direct beneficiaries include the following participants, both women and men:

1. Chief Executives, Directors, Senior Managers, Middle Managers and Supervisors of large enterprises; as well as Owners/Managers of small and medium enterprises in the Eastern Caribbean. Project benefits relate to access and exposure to new concepts, skills and techniques to be applied to the work environment via training and consultancies. This, in turn is expected to lead to increased productivity, quality of product, quality of work life and ultimately, economic growth.

It is however interesting to note that there are fewer women at the higher levels of management.

2. Executive MBA Candidates - Main project benefit is the opportunity to pursue a practical postgraduate qualification in a convenient arrangement, with reduced level of upheaval both at home and at work.

3. Department of Management Studies (Cave Hill) Project - Benefits include upgrading and expansion of staff and facilities, curriculum, teaching materials and library resources, all of which, according to the final evaluation of the Regional Pilot Project, are in dire need.

4. Trainers from BIMAP, CAIC, CARICAD, UWI and the private sector - Project benefits include opportunity for upgrading and access to training materials developed in the context of the project.

5. Public Sector and Parastatals - Project benefits include opportunity to participate in relevant training programs sponsored by the project, and to interact/collaborate with the private sector in the interest of improved relationships and productivity.

6. Students in the Department of Management Studies - Project benefits include access to upgraded staff, facilities and curriculum, as well as library resources and other learning materials.

B. Indirect Beneficiaries

The indirect beneficiaries embrace the entire region. It is anticipated that as a result of this project there will be considerable improvement in the practice of management generally, at all levels, and in all sectors. In particular there will be a new and perhaps long overdue focus on human resource development and management. This in turn will lead to higher productivity, efficiency, quality of product, and quality of work life, and ultimately to economic growth and expansion, this giving rise to new employment.

In addition, an invigorated private sector coupled with a rejuvenated public sector and supported by a highly motivated work force, could easily attract new private investments - foreign, domestic and mixed.

III. Equity Issues

A. Socio-Economic Considerations

This project is aimed at macro economic growth in the long run. It is targeted primarily at managers and supervisors, thus lower income groups do not fall within the ambit of direct beneficiaries. However they do benefit in several important ways. For example, improvement in the management skills of public, private and parastatal organizations has positive implications for the preservation of employment and potential increases in production.

When the public and private sectors improve their capacity to create new enterprises, the result is likely to be an increase in jobs as well as promotion opportunities. This is of particular significance given that, in bad economic times, it is the lower income group which is likely to be hardest hit.

The activities undertaken by this project will hopefully lead to an improved quality of management and supervision in both the private and public sectors, which in turn should result in attracting new investments - a critical factor in redressing the chronic unemployment problems of the region.

In this regard however it must be noted that AID's Small Enterprise Assistance Project (538-0133) does target micro, small and medium scale enterprises, thus providing more of a bottom up approach, making the less advantaged the direct beneficiaries. In this way, the SEA Project may be seen as complementing this project.

However, to the extent that cost-recoverable fees are charged to participants of programs in this project, there may be cases where it is legitimate to subsidize some deserving participants as occurred under the pilot project.

B. Gender Considerations

In the social analysis of the Project Paper for the RMTP (538-0148), a subsection on the Principal Beneficiaries states as follows:

"Women who are at present top and middle managers of large enterprises, and owners of small and medium enterprises will be given special opportunities, attention and consideration, with particular respect to their potential for playing leading roles in improving the environment for scientific management. Women approaching the ranks of top management will be accorded special help to realize their full potential. Finally, young women will be encouraged to enter upon careers in management."

This was indeed a laudable intention. However based upon a review of the mid-term and final evaluations of the project as well as discussions with participants and administrators/ organizers of the Pilot Project, no active effort was made to address issues of gender.

In most of the activities conducted, far fewer women were involved. This was particularly noticeable at the higher levels. For example, in the case of the two executive symposia which targeted Chief Executives and Directors, of the 94 participants which attended, only 8 were women.

But why is this important? Why should gender issues receive special consideration? As Dr. Joycelin Massiah observes in RDO/C Aid to Women in the Caribbean: A Preliminary Review (July 1988), Caribbean women do enjoy many advantages when compared with women in many other parts of the developing world. Education at both primary and secondary levels is generally available and accessible. Their labor force participation rates are generally quite favorable.

But this does not mean that Caribbean women have no problem. Such a notion, the researcher continues, "is erroneous, retrogressive and inimical to the interests of women and children in the region." These visible advantages, she holds, mask a fundamental reality, which is, that even in those territories with the most favorable statistical indicators, socio-economic conditions continue to restrict the economic participation of women and limit their mobility.

Among women, there is growing unemployment, declining real wages, unsatisfactory working conditions in some areas, tighter occupational segregation, more obvious discrimination in promotion procedures, and increasing sexual exploitation at the work place.

Many of these are problems which affect women rather than men, or to a greater extent than men. The reproductive and care-taker roles which society ascribes women, how women perceive these roles and the enabling mechanisms which are provided to carry out these roles are all issues which need to be addressed, in the interest of the productivity and development of the region.

In third world countries such as those of the Eastern Caribbean, it is obvious that the development and effective use of this critical component of the work force makes good economic sense. Thus trying to understand and address the needs, constraints and concerns of women in the work environment, their social and economic roles, is not only a gender issue. It is also a critical development issue.

Compared with agriculture and health, gender in management in the Caribbean is virgin ground - relatively unexplored territory. Thus this project is well placed to make a significant contribution to research in this area.

The Project is also in the fortunate position of being able to draw on the resources of three other departments of UWI, Cave Hill - namely, the Institute of Social and Economic Research (ISER), the Women and Development Unit (WAND), and the Women and Development Studies (WDS) program. WID Ltd, which is based in Barbados, and which also provides training and consulting in small business to other beneficiaries of AID's Small Enterprise Assistance Project is another available resource.

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At the secondary level of education girls often do better than boys. In courses offered at the tertiary level, women are also well represented. This was confirmed by data from BIMAP, CAIC and other training institutions.

Over the past few years BIMAP's 2 year Diploma in Management Studies Program had many more female participants. In 1988 for example, of a total of 49 candidates, 63% (31) were women. Statistics from UWI indicate that generally the student body including the Department of Management consists of many more women than men. Yet, in the work environment, women tend to be under-represented in management, especially at the top, as was clearly demonstrated by their level of attendance at the executive symposia. These are just a few of the gender issues which might be researched.

As part of its leadership role in management development in the region, CMD will give special attention to issues of gender in management and development in several ways.

1. Collecting gender-desegregated data in all of its research or data gathering activities. This enables managers and evaluators to assess the extent to which gender is a variable in the wide range of factors which influence the development process.
2. Taking positive steps to ensure the participation of women in all of its programs, but particularly at the executive and senior levels of management. This includes encouraging women themselves to participate; encouraging companies to include women in their selection; and encouraging companies generally to pay equal attention to the development of women as managers.
3. Taking leadership in the incorporation of gender considerations in the content of programs offered, by being sensitive and giving attention to such issues as the role of women as managers; their economic and social value; obstacles encountered. This is not intended to be one module on gender, but rather included as a component of each program.
4. Including gender considerations in the ongoing and final evaluation procedures.
5. Using gender distinctions in terminology.
6. Using more women as presenters/trainers. (In the Pilot Project women were also conspicuously absent as trainers/presenters).
7. Actively pursuing the participation of women on the Board of Directors and the Advisory Board.

IV. Conclusion

This Project has been designed to leave a positive social impact of the attitudes and behavior of middle and upper management in the Eastern Caribbean. The impact will be long-term given that a significant percentage of funds is earmarked for the development of two educational organizations, the Center for Management Development and the Department of Management Studies.

The provision of seminars and symposia conducted by the CMD have the potential for impacting on attitudes and behavior in a relatively short period of time. By giving special emphasis to the participation of women in both degree courses and in seminars and symposia, it is hoped that factors which presently impede the advancement of women as managers in the private sector will be redressed.

DETAILED ECONOMIC ANALYSIS

I. Introduction

The purpose of this analysis is to assess the impact of the project on the economies of the beneficiary countries in the Eastern Caribbean (EC). Those components of the project considered to directly influence the level of management competency within the region, both in the near term and long term, consist of upgrading the quality of the University of West Indies/Cave Hill Department of Management Studies, providing seminars and symposia to senior executives and top managers, and offering an Executive Master of Business Administration (EMBA) program. Less direct benefits would stem from other project elements such as the training of trainers, development of case study materials, and consultancies. Where possible, the analysis attempts to quantify the benefits of all the project's components in terms of the additional income they will generate for society as a whole as well as for private individuals. Benefit-cost ratios, net present values and internal rates of return are used to measure the relative worth of the project against alternative investments. Non-quantifiable benefits and externalities, i.e., benefits that spill over from the individual to other members of the community, are also noted; while less precise, these benefits should still be taken into account when assessing the overall economic value of the project.

This analysis is divided into four sections. Section One provides a summary overview of the economic context in which this project will operate. Section Two discusses the need for, and demand and supply of management education and training in the EC Region. A brief literature review regarding the relationship between education and economic growth is provided as background in Section Three. Finally, Section Four, the key section, assesses the economic returns of the project as a whole, its quantifiable components, and discusses the intangible benefits of the other components.

II. Economic Context

The economies of the EC region are very small, with only one, Barbados, having a Gross Domestic Product (GDP) in excess of \$1 billion. The ability of the region to produce in much greater quantities is constrained, in part, by its small human resource base and physical land area. However, on a per capita level, the region is far wealthier than many other parts of the developing world. Because of the small size of the regional domestic market, all of the countries have an outward orientation, looking to foreigners to purchase goods and invest in the region.

Barbados is by far the largest economy in the region with a GDP in 1987 of \$1.25 billion (current prices), about \$300 million more than the combined GDP of the other Eastern Caribbean states. With a population of 254,000 in 1988, equal to about 50 percent of the collective population of the other EC states, it is clear that the people of Barbados are far richer than their Caribbean neighbors. Employment in Barbados numbers approximately 125,000. The principal economic sectors of Barbados are tourism, light manufacturing, and sugar. In the early 1980s, the economy was declining, but rebounded in 1983, and has since experienced an average annual growth rate of about 2.0 percent. Government development policies are to encourage manufacturers for export through a variety of tax concessions and incentives and to diversify the agricultural sector to produce more food for domestic consumption. A tight monetary policy has succeeded in reducing inflation to low single digits, but the government faces a major problem in the high rate of unemployment, currently at about 18.5 percent, and significantly higher among the less educated youth.

The population of Barbados is relatively well educated. The literacy rate is 98 percent. The government of Barbados seems to recognize the importance of education to development as public expenditures for education represent the single largest item in the national budget at 22 percent.

The other economies of the Eastern Caribbean are much less developed than Barbados. Their even smaller individual country populations and land areas pose significant challenges to economic development. Populations range from 13,000 in Montserrat to 128,000 in St. Lucia, with total employment in the region roughly 60,000. The combined GDP of the countries was approximately \$900 million in 1988. Tourism and agriculture are the principal economic activities in the islands as a whole, with light manufacturing, trade and other services also playing a significant part in certain countries. While economic growth rates have averaged an impressive 5 percent since about 1987, unemployment is a serious problem and is officially estimated at between 15 and 35 percent in most cases. The actual rate of unemployment may be considerably higher and is in any case worse in the off season for tourism.

Literacy rates within the EC states range from 60 percent in St. Lucia to 95 percent in Anguilla and Dominica. Like Barbados, the EC states spend a relatively large proportion of their budget on education.

The prospects for economic growth in Barbados and the EC states appear promising but will depend largely on their ability to compete globally and on the performance of the international economy. Succeeding in the global market will depend, to some extent, on having in the region a well-trained cadre of managers, that can quickly absorb new technology to raise productivity, foresee and capitalize on changing international trends, and effectively market the region's goods and services.

Outside forces beyond the control of much of the region will also play a part in the region's economic future. Earnings from tourism will hinge on the fortunes of the North American and British economies, the main sources of tourists in the region. Sugar exports, the dominant crop within the region, will depend more critical to the region than improvements in physical infrastructure. Business and government officials alike report difficulty implementing projects or increasing productivity due to a lack of trained managers.

Within Barbados and the Eastern Caribbean States, the number of currently employed managers who had not by 1985 received any management training was estimated to be between 2400 and 4300; among the executives, the figure was 670.

III. Needs

The 1985 assessment by the Caribbean Association of Industry and Commerce (CAIC) of the need for management training in the English Speaking Caribbean revealed that the economies of the region were seriously constrained by the lack of an adequately trained cadre of top managers. While this study was aggregated to include other countries outside the scope of this project, it is believed that the shortage of trained managers is widespread and, therefore, is as great a problem for Barbados and the OECS countries as it is for Jamaica and Trinidad and Tobago. The conclusions drawn from the study remain relevant today, as no significant expansion in training services in the Eastern Caribbean Region has since taken place.

Field interviews conducted during the study indicated that the most critical shortage facing the Caribbean is in trained managers; even more critical to the region than improvements in physical infrastructure. Business and government officials alike report difficulty implementing projects or increasing productivity due to a lack of trained managers.

Within Barbados and the Eastern Caribbean States, the number of currently employed managers who had not by 1985 received any management training was estimated to be between 2400 and 4300; among the executives, the figure was 670. The number of untrained executives is perhaps slightly lower today following the symposia and seminars offered by the Regional Management Training Pilot Project during the years 1988 and 1989.

SHORT-TERM MANAGEMENT TRAINING

Demand

The demand for management training is difficult to measure precisely without the benefit of a comprehensive current market survey. Even then, survey responses may not correlate exactly with an individual's future behavior when confronted with making a decision to pay for a course. A principal reason for the pilot

project was to test the demand for management training among executives in the region. The conclusions drawn from the pilot seem to indicate that the demand for training was strong as participants "demonstrated a willingness to pay for the operating and residential costs of the courses, and did in fact pay the full costs for the final symposia and seminars." Moreover, executives indicated in interviews that the type of training provided under the pilot should be continued, implying there would be a demand for these courses in the future.

The pilot project spent considerable effort trying to ensure that none of the training it offered would duplicate the training delivered by existing institutions in the region. The pilot offered courses on modern management techniques and employed participatory learning methods in the form of case studies to high-level senior managers. The training needs of this group of top managers continue unfulfilled as none of the training institutions in the region offer these type of courses to senior managers.

Supply

The principal training deliverers in the region are: 1) The Barbados Institute of Management and Productivity (BIMAP); 2) The Caribbean Center for Development Administration (CARICAD); 3) The Caribbean Association of Industry and Commerce (CAIC); and 4) National Chambers of Commerce (COC).

While no regional training strategy exists, the forces of the free market have injected some rationale to the delivery of training as no two organizations are alike; each has found its market niche. BIMAP offers certificate courses to mid-level managers in functional areas such as accounting and marketing. It also provides a few annual seminars on broader topics, and consulting services to individual companies. Eighty percent of its clientele is from Barbados. CARICAD is a regional public administration training center offering seminars to civil servants at all levels of management. Although oriented mainly to the public sector, the institution is trying to expand its customer base to include the private sector as well. CAIC provides training services to its members in all the EC countries through seminars, on-the-job training, and in-house consulting. The level of employee trained by CAIC varies greatly depending on the needs of its particular member company. However, most are mid-level managers; CAIC does not offer any course or seminar to top executives. The National Chambers of Commerce offer one-day courses to its members on an ad hoc basis, and rely exclusively on outside trainers.

LONG-TERM MANAGEMENT EDUCATION PROGRAMS

Demand

The demand for more substantial, longer-term management education, in the form of an undergraduate university degree in

management, appears strong throughout the region. This demand is manifested in part by an applicant to acceptance ratio exceeding five to one for entry into the Bachelor of Science Management Studies program at the University of West Indies/Cave Hill (UWI/CH). A total of approximately 2,365 applications were received in 1989 for 473 openings. This unsatisfied demand for a management education at UWI/CH has risen steadily during the last few years despite recent increases in the absorptive capacity of the University's Department of Management Studies (DOMS). According to the UWI/CH Principal, the DOMS is gaining popularity at the expense of other departments; and he does not see this trend abating any time soon.

Demand for a graduate degree in management, an MBA, also appears strong, particularly among employed managers. The closest degree to an MBA now offered at Cave Hill, the post-graduate Diploma in Management Studies program at UWI/CH has seven applicants for every opening in the program. The UWI/Mona campus in Jamaica just began offering an Executive MBA degree for managers and executives. Enrollment in the first year of the program is about 25 students, but entrance applications exceeded 200. The program consists of 14 week long courses, held over weekends to accommodate the competing work schedules of its participants. The private sector in Barbados has expressed a desire for a similar Executive MBA at UWI/CH. Other islands in the Eastern Caribbean would also support a program on condition courses are offered outside Barbados. Many of the larger employers in the region now incur significant costs sending their top managers abroad to obtain an MBA. A foreign MBA can cost a company over \$40,000, not including opportunity costs incurred in lost working time. A locally offered degree would save companies, as well as individuals, considerable time and money. It would also be in one respect of, perhaps, greater value than a foreign degree were courses designed with a regional emphasis.

Supply

The University of West Indies/Cave Hill is the only institution in the Eastern Caribbean offering long-term education programs in management. The DOMS offers bachelor of science degrees in accounting, hotel management, and management studies, and a post-graduate one year diploma in management studies. Student enrollment during the 1989/90 academic year was 473 for the undergraduate degree, and 35 in the diploma program.

IV. Relationship between Education and Economic Growth

The literature is rich with studies demonstrating the economic benefits to investments in education. Early research in this area conducted by Schultz (1961) and Denison (1962) showed that education contributes directly to the growth of national income by improving the skills and productive capacities of the labor force. The overall conclusion from these and subsequent studies is clear: increased education of the labor force appears to explain a

substantial part of the growth of output in both developed and developing countries since about 1950. More recent research has revealed that the contribution of education to economic growth is even stronger if the complementarities between education and other forms of investment are taken into account (Psacharopoulos 1984).

Primary education is considered to offer the highest return (social or private) among all educational levels. However, all rates of return to investment in education are well above the 10 percent yardstick commonly used by developing countries to indicate the opportunity cost to capital (Psacharopoulos 1981).

Investments in management education specifically are also considered economically sound. A bibliographic search of the literature suggest two key conclusions regarding the economic justification for investments in this discipline: a) returns to expenditures for management training exceed those of most other university specializations; and b) returns to high level management training programs are relatively high overall and offer especially high private returns and foreign exchange substitution effects.

The high social and private returns to investments in education are derived from the added productive capacity they give to countries. Management education prepares and trains individuals at all levels to manage technology, capital, services, and administration in every sector of the economy. Experience has frequently shown that without human skills, transfers of capital, technology and development projects are not well absorbed. In addition, economic growth and technological advancement may alter traditional social frameworks that have provided support for individuals or institutions. Education assists in providing the understanding and insight necessary to adapt to changing internal and external conditions. This is particularly relevant today given the rapid pace at which the world economy is evolving.

V. Economic Analysis

Introduction

A multi-component project with several elements offering less than objectively measurable benefits is always difficult to assess quantitatively. This project is no exception as only two of five project elements, the executive seminars and executive MBA, provide direct benefits to individuals which can be measured. The other elements, such as strengthening the capabilities of the University and other training institutions in the region provide more diffused, longer-term benefits that are difficult to capture empirically. Notwithstanding these difficulties, the analysis provides an overall estimation of the economic returns from investing in the full cost of the project.

This section reports on the benefit-cost analyses conducted on the individual management seminars and executive MBA components. These benefit streams are then compared to the full cost of the project to determine the aggregated economic return. Sensitivity analyses are provided on the EMBA, and the overall project, to demonstrate the economic value of the project under less favorable income stream assumptions. In addition, an analysis is conducted to demonstrate that offering these activities through the Center for Management Development is the most cost-effective approach available to individual customers. The balance of this section discusses the non-quantifiable benefits of the other project activities.

Quantifying the Benefits

The project contains five discrete elements: 1) delivering 6 executive seminars per year; 2) establishing and offering an Executive MBA program; 3) selling consultancy and research services through the CMD; 4) improving the delivery capabilities of other regional management training institutions; and 5) upgrading the UWI DOMS curriculum. Only the first two elements provide measurable benefits.

The real effect management seminars will have on businesses is difficult to measure, particularly for a short 3 day course. Seldom is it possible to establish direct cause-effect relationships between training programs and increased entrepreneurial activity in particular sectors. There are simply too many variables for precise measurement even when complex and costly tracking systems are employed. The notion, however, is that the seminars will disseminate new management techniques which when applied will result in productivity savings for the company. Lower costs will, in turn, make the company's product more competitive, generate more sales and expand business.

Over the years, economists have come to rely on additional earnings as a measurable output of investments in traditional education. The critical assumption is that the relative earnings of workers reflect their productivity, and therefore that the additional earnings are a proxy measure of higher output produced by educated workers. This approach is used to measure the benefits of the Executive MBA program, for instance, where salary differentials exist among individuals with varying levels of educational attainment. However, in the case of shorter-term training, such as management seminars, employers do not generally adjust salary levels to account for past seminar participation.

MANAGEMENT SEMINARS

One way to measure the effect of short-term seminars is to survey participants' employers and collect information as to the length of time required for the employer to earn back his investment in the training. Presumably, this return would continue indefinitely. The principal disadvantage to this approach is that

it is subjective, completely dependent on the ability of the respondent to be able to estimate accurately the pay-back period. This approach was used to evaluate the economic effect of a similar management training project in Honduras, known as the GEMAH project (522-0256).

The methodology used in this analysis adopts the approach used by the GEMAH evaluators. The average period needed to recover the total costs of training borne by the participating GEMAH employer was 6 months. The type of training offered through GEMAH was considerably more intensive considering the average cost was US \$6,000. It was also aimed at mid-level managers, whereas the project's seminars target high-level managers and executives. This analysis adopts a conservative pay-back period of three years to account for the less intensive training offered by the project's seminars, and the likelihood that information will less rapidly disseminate from the executive to others in the firm. The methodology, assumptions and outcome of the analysis follow.

Methodology and Assumptions:

- o Total social costs were based on the delivery of 6 seminars to 120 participants per year. Private and social costs were identical since the participant's fee covered delivery cost, plus CMD overhead costs (no project funds are earmarked for this activity, and thus none were included in this analysis). Annual costs consisted of seminar delivery (\$75,000); administrative overhead (\$21,000); opportunity costs of attending the seminars instead of working at the firm (\$41,520); and travel and per diem (\$72,000).
- o Benefits were in the form of productivity savings, at a cumulative annual rate of \$75,840. Total costs and benefits were calculated over a 20 year period and discounted at a rate of 10 percent. (the average age of managers attending these seminars is expected to be about 40, thus they can be expected to work at a minimum for another 20 years).
- o 80 percent of participants were from businesses outside the island hosting the seminar, and thus they would incur additional travel and lodging expenses.
- o Firms recovered the full cost of the seminar in 3 years. These benefits became institutionalized after this time, continuing indefinitely irrespective of whether the trainee remained with the firm aconstrained, in part, by its small human resource base and physical land area. However, on a per capita level, the region is far wealthier than many other parts of the developing world. Because of the small size of the regional domestic market, all of the countries have an outward orientation, looking to foreigners to purchase goods and invest in the region.

Barbados is by far the largest economy in the region with a GDP in 1987 of \$1.25 billion (current prices), about \$300 million more than the combined GDP of the other Eastern Caribbean states. With a population of 254,000 in 1988, equal to about 50 percent of the collective population of the other EC states, it is clear that the people of Barbados are far richer than their Caribbean neighbors. Employment in Barbados numbers approximately 125,000. The principal economic sectors of Barbados are tourism, light manufacturing, and sugar. In the early 1980s, the economy was declining, but rebounded in 1983, and has since experienced an average annual growth rate of about 2.0 percent. Government development policies are to encourage manufacturers for export through a variety of tax concessions and incentives and to diversify the agricultural sector to produce more food for domestic consumption. A tight monetary policy has succeeded in reducing inflation to low single digits, but the government faces a major problem in the high rate of unemployment, currently at about 18.5 percent, and significantly higher among the less educated youth.

The population of Barbados is relatively well educated. The literacy rate is 98 percent. The government of Barbados seems to recognize the importance of education to development as public expenditures for education represent the single largest item in the national budget at 22 percent.

The other economies of the Eastern Caribbean are much less developed than Barbados. Their even smaller individual country populations and land areas pose significant challenges to economic development. Populations range from 13,000 in Montserrat to 128,000 in St. Lucia, with total employment in the region roughly 60,000. The combined GDP of the countries was approximately \$900 million in 1988. Tourism and agriculture are the principal economic activities in the islands as a whole, with light manufacturing, trade and other services also playing a significant part in certain countries. While economic growth rates have averaged an impressive 5 percent since about 1987, unemployment is a serious problem and is officially estimated at between 15 and 35 percent in most cases. The actual rate of unemployment may be considerably higher and is in any case worse in the off season for tourism.

Literacy rates within the EC states range from 60 percent in St. Lucia to 95 percent in Anguilla and Dominica. Like Barbados, the EC states spend a relatively large proportion of their budget on education.

The prospects for economic growth in Barbados and the EC states appear promising but will depend largely on their ability to compete globally and on the performance of the international economy. Succeeding in the global market will depend, to some extent, on having in the region a well-trained cadre of managers, that can quickly absorb new technology to raise productivity, foresee and capitalize on changing international trends, and effectively market the region's goods and services.

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Outside forces beyond the control of much of the region will also play participants is expected to be 35. They would be expected to work for at least another 20 years.

- o Graduates of the program will immediately receive their US \$6,000 salary increase, and will not experience any break in employment during the 20 year benefit stream.

Outcome:

Social Rate of Return

- Benefit-Cost ratio = 2.47
- Internal rate of return = 42.84 percent
- Net present value = US \$1,858,414

Private Rate of Return

- Benefit-Cost ratio = 1.72
- Internal rate of return = 27.68 percent
- Net present value = US \$1,329,378

Both rates of return are far above available market rates. The private return is less than the social return because it uses tuition instead of actual delivery cost. Tuition, intended to finance much of the overhead of the CMD, is roughly three times what is needed to pay for associated faculty salaries and course materials. Notwithstanding the relatively high tuition, the private rate of return is an impressive 27 percent. Like the seminars, this favorable return should serve to encourage private sector participation in the program.

AGGREGATED PROJECT COSTS AND BENEFITS

The outcome of this analysis should be viewed with a clear understanding that the balance sheet between the measurable costs and benefits is heavily weighted toward the costs. The reason for this is simple: the costs of the project are all identifiable, whereas the benefits are not. As noted above, only the seminars and MBA program have quantifiable benefits. The other project elements will provide intangible benefits, all valuable to society, but too uncertain at this point to measure with any degree of confidence.

This analysis relies on the benefit streams generated by the seminars and executive MBA. Costs reflect the total costs from a social viewpoint, and therefore include direct project costs, opportunity costs, as well as in-kind contributions from the University.

Methodology and Assumptions:

- o Total social costs associated with the project are US \$6,340,000. The individual cost components are: AID direct (\$1.9 million); UWI in-kind contributions (\$759,580); opportunity costs for participants in the executive MBA program and executive seminars (\$1.85 million) and associated travel costs to participate in these two activities (\$2.4 million).
- o Total project benefits are estimated to be \$25,088,000, but only reflect the quantifiable returns from the executive MBA and seminars. Both total costs and benefits were distributed over a 20 year period and discounted at a rate of 10 percent.

Outcome:

Social Rate of Return

- Benefit-Cost Ratio = 1.94
- Net Present Value = \$3,342,721
- Internal Rate of Return = 22.97 percent

The results of the analysis are very impressive considering 100 percent of the costs were offset against just 2 of 5 elements. Based on this data alone, the proposed project appears to be a sound economic investment. Furthermore, one would expect the economic return from the project to be far higher than these numbers indicate were it possible to quantify and incorporate the benefits of the other three elements.

SENSITIVITY ANALYSIS

A sensitivity analysis was conducted on the EMBA program using a more conservative salary differential of \$3,000, between those individuals holding MBA degrees and those with BSc degrees. This represents a 50 percent reduction in the EMBA benefit stream. Under this scenario, the EMBA program is projected to have an internal social rate of return of 14.69 percent, benefit-cost ratio of 1.19, and net present value of US \$235,993. These results demonstrate that even when applying a far more conservative assumption, the EMBA program is considered to be a favorable economic investment.

The reduced benefit stream of the EMBA program reduced proportionately the benefit stream for the overall project. Still, under this scenario the project shows a favorable internal rate of return of 17.68 percent, a benefit-cost ratio of 1.57, and a net present value of US \$2.7 million.

COST-EFFECTIVENESS: ALTERNATIVES TO EXECUTIVE SEMINARS AND EXECUTIVE MBA

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The project provides a total of \$471,785 worth of assistance to the CMD during the five years of the project. The bulk of this money consists of start-up funds to get the Center firmly established so that it can effectively carry on its work independently by project end. No money is earmarked for the executive seminars, and only a small portion of these funds, approximately \$60,000, will be used to assist in the delivery of the EMBA program. Given the self-supporting nature of these two activities, it would be useful to compare the alternatives now available to individuals in the Eastern Caribbean.

At present, there is no local institution offering an executive MBA program. Employers in the region currently send appropriate employees abroad for this degree for a two year period, at a cost of more than \$80,000, including opportunity costs. Assuming the quality of education is equivalent, (in fact, however, the executive MBA may be superior in some respects since courses would be taught in an Eastern Caribbean context) the cost of a foreign education is 5.47 times greater than the projected costs of obtaining the Executive MBA; additional travel and per diem costs for those individuals in the Eastern Caribbean not based on the island of delivery would reduce somewhat the difference in cost between the two programs.

	CMD EXECUTIVE MBA VS. US EQUIVALENT	
	<u>US MBA</u>	<u>CMD EMBA</u>
Tuition	\$20,000	\$10,000
Maintenance	20,000	--
Opportunity Costs		
(\$20,000 yr. salary)	40,000	4,615 (12 weeks)
Travel	500	
<u>TOTAL</u>	<u>\$80,500</u>	<u>\$14,615</u>
Possible Additional Travel costs		<u>\$ 8,000</u>
TOTAL # 2		<u>\$22,615</u>

A similar situation exists with the proposed executive seminars. At present, no other institution in the region is offering the type of seminars planned for delivery by the CMD. These seminars will be targeted at high-level managers and employ learning techniques similar to those delivered under the pilot. Managers in the Eastern Caribbean are now forced to travel outside the region, usually to the U.S., to purchase this type of training. The costs to the firm of sending a manager to a U.S. based course, such as one offered by the American Management Association in New York, are 47 percent greater than it would be to enroll the manager

in a CMD seminar. Moreover, the CMD seminar would probably be of greater learning value to the participants as it would offer topics tailored to the specific needs of Caribbean managers.

CMD 3 DAY SEMINAR VS. US EQUIVALENT

	<u>American Management Association</u>		<u>CMD</u>
Fee	\$1,000\$		\$625
Travel	500		300
Per Diem	450		450
Opportunity cost (\$115/day)	<u>575</u>	(two extra travel days)	<u>345</u>
TOTAL	\$2,525		\$1,720

Non-Quantifiable Elements

The elements of the project that could not be quantified with any degree of confidence were the delivery of consultancy services by the CMD, strengthening the training capabilities of other training institutions in the region, and upgrading the faculty and curriculum of the Department of Management Studies, UWI/Cave Hill. Total project costs devoted to these activities are about \$1.4 million. Although the strengthening of UWI and the training institutions will both serve to improve the overall delivery of management training and education in the region, the benefits these elements will generate are too indirect to objectively measure. Quantification is further hampered by the more qualitative nature of these elements as both seek to improve upon existing services rather than serve additional customers.

Consultancy services will provide more direct benefits to the private sector, but no estimate of their impact was calculated as the expected demand for these services is very hazy given CMD's status as a newcomer to the market. Even if the demand for consultancies were known, quantifying the benefits would prove difficult without reliable data regarding the precise impact of the consulting. Quantification is further confounded by the customized nature of consulting. Consultancies vary widely depending on the type of problem confronting the firm.

Notwithstanding these shortcomings, it is recognized that these elements all offer valuable economic benefits. The strengthening of other management training institutions in the region will indirectly improve the quality of managers served by those educators. Providing institutions with modern training techniques will enable EC participants to benefit from the same type of training offered to their richer competitors in the U.S. and other advanced economies.

Consultancies will also benefit the region's economies to the extent CMD can reach new customers, and/or offer innovative technical assistance. Consultancies will also provide an opportunity for UWI faculty to gain exposure to "real world" business problems. This will serve to improve the learning experience for students as UWI professors will be able to incorporate this practical experience into their course material.

Strengthening the University's Department of Management studies will produce a better trained group of entry level managers. The new computer lab, additional library resources, and more practically oriented curriculum, will all serve to expand the productive capacity of UWI graduates. In time, this enhanced ability will improve the economic performance of the region's businesses. A less tangible byproduct will be a heightened appreciation within the business community for the services provided by the university to the region. This point relates to one of the central purposes of CMD: to build a permanent, mutually reinforcing bridge between the business community and the University. Such a bridge would create considerable qualitative benefits for the region as a whole. University faculties would have a better sense of the needs of the business community and could structure their curriculum accordingly. The business community, on the other hand, would come to better appreciate the capabilities of the University and might begin utilizing staff for economic research, in-house consulting, and perhaps even students for paid internships.

In short, the number of non-quantifiable benefits flowing out of the project are numerous and valuable. In order to fairly assess the project, these must also be taken into account.

VI. Conclusion

The project will generate significant returns to the regional economy. In financial terms, the internal rates of return are 22.97 percent for the project as a whole, and 36.99 and 42.84 percent respectively, for the two measurable components, the executive MBA and seminars. Moreover, the sensitivity analysis demonstrated that even under less optimistic assumptions, the project would yield a favorable economic return. These results would confirm that demand in the region is strong for management training and education, as was expressed in an earlier part of this section. Moreover, the MBA and seminars are far more cost-effective for the individual customer in the region than other available alternative programs. Finally, the project will provide a number of non-quantifiable returns. Combined, these benefits appear to outweigh the costs of the project. Based on this analysis, RDO/C concludes that the project is a sound economic investment.

ANNEX I

DETAILED INSTITUTIONAL AND ADMINISTRATIVE ANALYSIS

Consortium of Management Development Institutions

The four principal institutions which have historically been connected with the Pilot Project are:

1. The Barbados Institute of Management and Productivity (BIMAP);
 2. The Caribbean Association of Industry and Commerce (CAIC);
 3. The Caribbean Center for Development Administration (CARICAD);
- and
4. The University of the West Indies (UWI).

The Secretariat of the Organization of Eastern Caribbean States (OECS), which offers in-service training programs related to the specific needs of those states, along with BIMAP, CAIC, CARICAD and UWI/Cave Hill were the original members of a "Consortium" of Institutions which delivered training in the Eastern Caribbean. All of these members were involved in the Pilot Project.

Other providers of management and business training in the region included Community Colleges, national Chambers of Commerce, manufacturing associations, as well as freelance management consultant/trainers and firms.

Since one of the main purposes of the project is to strengthen the training services delivery capacity of the premier institution as well as appropriate training suppliers within the Eastern Caribbean, it is expected that the consortium members in particular will play a substantial role.

In the first place they will be represented on the Board of Directors. Secondly, they will be included, as recommended in the final evaluation, in staff development courses and training of trainer programs to strengthen their internal capacity to deliver training. Thirdly, their participation in the implementation of the project may include contracts or grants from CMD to deliver those programs and services for which they are best suited, or have a track record in the private sector.

1. BIMAP

BIMAP was established in 1971 by the collaborative efforts of the private sector and the Government of Barbados to improve management efficiency and effectiveness and to increase national productivity. It is supported by a large and diversified base of member organizations which donate annual subscriptions and participate in its programs.

Training in the functional areas of management is offered at three levels: basic, intermediate and advanced. There is also a two-year diploma program which prepares participants to use the

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concepts and tools of management in an effective manner. In addition to in-company training, BIMAP has provided consultancy, research and advisory services under a four-year BIMAP/USAID Regional Assistance Project, which came to an end in 1987.

BIMAP also provides a 45-hour Entrepreneurial Development Program, a 45-hour Small Business Training Program as well as seminars and workshops. Members and clientele are primarily though not exclusively, Barbados based. Training and Services are targeted mainly at the middle management and supervisory levels, and include small business and entrepreneurial development.

As noted in the Final Evaluation, clients perceive "positive and productive" results from the training and consulting provided by BIMAP. The final evaluation also supports the need for staff and curriculum development. However it does indicate that in order to obtain a more precise picture of the organization's capabilities and needs, a much more detailed evaluation is required. Such an examination would address factors such as:

- (a) physical facilities;
- (b) student population, i.e., age, prior training, etc;
- (c) faculty, i.e., academic level, number, full- or part-time etc; and
- (d) number and type of consultancies undertaken.

Indeed this is the kind of assessment which would provide hard evaluative data on all of the organizations involved.

2. CAIC

CAIC is the regional, representative private sector organization in the Caribbean. Its members include Chambers of Commerce, Manufacturers' Associations, and Exporters' Associations. Corporate Members include regional conglomerates, national conglomerates, large, medium and small companies. CAIC speaks on behalf of the private sector in the areas of policy advocacy, trade and regional integration.

It seeks to service the management and training needs of its constituents, particularly those in the Eastern Caribbean, through seminars, on-the job training, technical skills workshops and consulting.

Like BIMAP, the training and services provided are targeted primarily, though not exclusively, at the middle management and supervisory levels, and include small business and entrepreneurial development.

For the purposes of this project, the main functional and administrative differences between BIMAP and CAIC are:

(a) BIMAP's clients are largely concentrated in Barbados, while CAIC is more active in the OECS.

(b) While BIMAP's work is done mainly by its full time and part time staff, CAIC relies heavily on the expertise of external consultants/trainers. Given the small size of CAIC's Training and Development Department, only about 25% of the work is done by core staff. Of the high-level external consultants/trainers used however, about 75% are drawn from within the region. This, of course, is an important foreign exchange consideration. Another advantage is their familiarity with the local environment.

Since its rejuvenation in 1982, CAIC has become the primary vehicle for private sector interests in the region. Also, given its wide ranging activities and visibility in the OECS, CAIC can be very influential in opening and maintaining open doors to the private sector, on behalf of the project, particularly in the OECS.

CAIC is also the grantee for AID's Small Enterprise Assistance (SEA) Project (538-0133), which consists of assisting institutions of the participating countries of the region to increase the ability of local entrepreneurs "to establish, expand or increase the efficiency of their micro-, small- and medium- scale enterprises in order to provide and sell their goods and services in the local, regional and extra regional markets."

3. CARICAD

CARICAD is a regional public sector organization which began operating in 1980. Its main function is to assist Commonwealth Caribbean Countries to improve their capability in management and public administration, in support of their social and economic development.

Within this context, CARICAD has conducted a range of training and consulting activities across the region, particularly at the top management level, in priority areas which were identified by the respective governments.

While its primary concern is the public sector, CARICAD recognizes that in the Caribbean, in particular, private and public sector efforts must be complementary. Both need to understand and appreciate each other's role and function, in order to support each other; hence the need for on-going linkages and dialogue between the private sector and those public and parastatal organizations which are critical to the success of private sector efforts.

In other words, it would be important to ensure that key managers in the appropriate public and parastatal organizations are involved and adequately trained to function effectively in their supportive roles. CARICAD appears to be the most appropriate organization to coordinate this component of the regional management training activity.

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CARICAD has a very small core staff and intentionally relies heavily on the use of external consultants/trainers, drawn primarily from within the region.

Like most regional public sector organizations CARICAD is funded by annual subventions made by regional governments. Thus, the organization is financially vulnerable to the fluctuations in regional economies, hence the need to secure donor funding, largely through programmatic support. Thus CARICAD, like the other members of the Consortium, has experience in administering funds produced by international donor agencies.

4. University of the West Indies

a. Background

The University of the West Indies, which was founded as a University College of the University of London in 1948, was granted full autonomous university status in 1962. It is recognized as the leading educational organization in the Commonwealth Caribbean.

It has three campuses: the Mona Campus in Jamaica, the St. Augustine Campus in Trinidad and Tobago and the Cave Hill Campus in Barbados. The Cave Hill Campus serves the Eastern Caribbean countries. However in each of the OECS territories, there is also an outreach arm in the form of a local University Center.

Thus UWI has an on going mandate and obligation to higher education, including management education and training, to the countries of the region. It is committed to the development of a critical mass of expertise in any discipline which is essential to development. To this end, Departments of Management Studies have been established at each campus.

b. Department of Management Studies, Cave Hill

This department, which was established in 1982 now offers the following programs: BSc Accounting, BSc Economics and Accounting, BSc Economics and Management, BSc Management Studies, BSc Public Administration, BSc Administration and Law and BSc Tourism Management. There is also a Diploma in Management Studies and in Public Administration as well as the Certificate in Labor Administration, in Public Administration and in Management Studies.

The present full time staff consists of eight persons, five of whom hold PhD degrees and two hold Master's degrees. There is also a part-time staff of nine.

The final evaluation report on the Pilot Project points to the need for strengthening the department in terms of staff additions and upgrading, curricula and materials development, as well as the provision of computer, library and other resources.

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Indeed the report notes as follows:

"Since the (pilot) Project did not establish the capability of the UWI Department of Management Studies, BIMAP, CAIC, CARICAD or the OECS to continue coordinating and conducting such programs in Barbados and other countries in the Eastern Caribbean region, it is unrealistic to expect any of them to immediately assume that role on the demise of the PIU without further external assistance." (p. 24)

c. Rationale for Selecting UWI as Grantee

UWI was chosen as the grantee for the project for several reasons:

(i) It is recognized as the leading educational institution in the region.

(ii) It has the advantage of having hosted the pilot project and is therefore in a position to use the lessons learned and avoid the pitfalls.

(iii) There is an existing Department of Management Studies which can and will be strengthened to improve its own programs as well as support the project.

It was assessed in the final evaluation of the Pilot Project to be best suited for the grantee role.

(v) UWI has a track record for implementing AID funded projects with funds ranging from \$2.5 to \$7.5 million, the most recent being the management of the Pilot Project. Based upon the success of the Pilot, this follow-on project has been recommended.

d. Center for Management Development (CMD)

Rationale

An organization which seeks to be flexible and readily responsive to the changing needs of its clients cannot function effectively within the confines of a bureaucracy. For this reason, the project will not be located within the Department of Management Studies. Instead a Center for Management Development will be established. It will be a semi-autonomous unit within the organizational framework of the University. This arrangement will allow the Center to benefit from the positive aspects of the links with UWI, while at the same time surmounting or circumventing the obstacles and constraints.

Pattern of Organization

The Center will be managed by its own Board of Directors, assisted by an advisory committee. It will operate with a small core staff which will administer program activities approved by the Board. Professional Staff will be appointed by the University, on the recommendation of the Board. The University will collaborate with the Center in seeking capital funds to provide permanent accommodation for the Center. This experimental arrangement is unprecedented in the history of UWI. Its success will be dependent upon the extent to which a semi-autonomous unit can actually function within a formal complex bureaucracy.

The CMD will consist of a Director, a Deputy Director, an Administrative Assistant and a Clerk Typist. The idea is that there will be a lean core staff, but that CMD will reach out and draw on other resources to meet needs as they arise. Potential sources include the Department of Management Studies, Cave Hill and Mona, the Institutes of Business at Mona and St. Augustine, BIMAP, CAIC, CARICAD, OECS, or even outside the region, if that is the best source. Thus the staff will largely be engaged in facilitating and monitoring activities. With regard to the choice of person selected for the post of Director, it will be imperative that this person has the confidence of the private sector, and is seen as someone who has a practical understanding of the business environment.

Linkages with UWI

The development of the CMD is an activity which is consistent with UWI policy and developments on other campuses. University officials have recently authorized two initiatives in the area of Management Studies: the establishment of Institutes of Business on each campus and the approval of an EMBA degree program. Thus this project, in part, will serve to expedite these initiatives at the Cave Hill campus and contribute to the programs which the University has undertaken to develop. Consequently, a favorable supportive environment exists for cooperation and parallel development on each campus. This cooperation will be fostered by three mechanisms for linkages among the three campuses.

First, as mentioned earlier, UWI has established an Institute of Business at the Mona Campus and is in the early stages of beginning a comparable institute at the St. Augustine campus. The University's approval of these institutes was accompanied by organizational arrangements within UWI, to foster coordination and collaboration among all three Institutes. Such arrangements provide the structural mechanism for linkage, coordination and ongoing communication.

Second, the curriculum approval for the recently initiated EMBA degree at Mona is a University-wide program. This means that authorizations and program design for its delivery on the other two campuses currently exist. Consequently, the basic program elements

will be consistent among campuses, since in essence, there is only one University-wide program, albeit with decentralized administration and delivery. The similarity of program and course design will facilitate exchange of materials and the collaborative teaching of courses by faculty from each of the three campuses.

Third, the basic elements of the design of this project facilitate the use of faculty and resources from the various campuses. For example, because the CMD will not have trainers on its permanent staff, training delivery will generally be contracted. Thus it will be necessary in many instances to draw on the resources of all three campuses. The EMBA in particular is designed to facilitate this type of collaboration, given the very short-term, intensive nature of its course offerings. The expense levels budgeted for courses taught are also sufficient to finance this possibility.

Finally, the University has made it clear the CMD will be able to tap into and access all of its resources, networks and cooperative arrangements whether they involve the Cave Hill Campus, the other 2 campuses, or other external arrangements or bodies.

Relationship With Other Providers of Management Training

One of the first activities to be carried out by CMD is a detailed assessment of demand for training as well as the capacity of suppliers of training. Based upon the information obtained from this exercise, further action will be planned. It is expected however that some of the training, particularly at the middle management and supervisory levels, will be contracted out to the most appropriate suppliers. Secondly, training materials developed by CMD will be available to other training organizations.

Thirdly, these organizations will have the opportunity to participate in training of trainer programs arranged by CMD.

Profile in Business Community

The final evaluation of the Pilot Project noted that the Department of Management Studies at Cave Hill "has no established profile in the business community." This is another good reason for locating the outreach arm, the unit that is intended to forge close links with the business community, outside the Department of Management Studies. It is obvious, however, that this act alone will not be sufficient. It is essentially CMD's performance over time which will have the biggest impact and ultimately lead to positive perceptions by the private sector.

Conclusion

A primary purpose of this project is to strengthen regional institutions in their ability to deliver management training to the Eastern Caribbean private sector. A corollary is strengthening

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cooperation among regional institutions responsible for management training. To this end, UWI, as the premier training institution, was selected as grantee. The linkage between the UWI/DOMS and the CMD is the formula chosen that appears to meet the desire of the EC private sector for a Center focussed on private sector management needs and which also meets the administrative requirements of this project. The fact that the other branches of UWI and the private sectors in Jamaica and Trinidad have adapted this model underscores its regional compatibility and will facilitate institutional development regionally.

DETAILED FINANCIAL ANALYSIS AND BUDGET

In order to reflect the dual purpose of strengthening management education at UWI/Cave Hill, and improving the capabilities of management training services offered by appropriate training suppliers within the Eastern Caribbean; the project amendment financial analysis contains two budgets with two distinct objectives. The strengthening of the Department of Management Studies (DOMS) is not intended to be a revenue generating activity for the project, whereas the Center for Management Development (CMD) is intended to generate revenue and be financially sustainable by the end of the project. The CMD will attain this status through the sale and brokering of management education, training and consulting/research services and with the help of private sector donations. The management education and training activities of both the DOMS and CMD are designed to promote broad-based economic growth in the Eastern Caribbean by strengthening the private sector's ability to contribute to increased production and productivity in key sectors of the economy i.e., tourism, manufacturing and agriculture.

I. Department of Management Studies Sustainability

Project support for the DOMS declines after the first year and levels off over the life of the project, as the curriculum is updated, the library and computer facilities are improved and the faculty return from educational upgrades or short term training in the U.S. (See Tables J2A - J2D) With UWI on the three year funding cycle (budget negotiations in 1992 and implementation as of September 1993), it is expected that four additional faculty positions will be approved for hire and consequent training consistent with the proposed Year three plan in the Project budget.

With an upgraded DOMS and greater visibility for DOMS faculty through services rendered to the private sector through the CMD the expectation exists that private sector support - possibly in the form of endowed chairs - will be forthcoming. The steady increase in demand for a degree in management studies among Eastern Caribbean students will continue to exert pressure on UWI to add faculty to the DOMS. Without additional financial support from the UWI-wide system, DOMS will need to begin looking seriously to the private sector and alumni for supplemental income.

II. DOMS Cost Effectiveness

Individual items of the Project budget use local rather than more expensive foreign expertise whenever possible. As the project progresses, additional local capacity will be developed for the EC region (in the form of improved faculty and facilities for management education). After the Project, UWI will be able to deliver educational and information products which are more relevant as well as less costly than those provided by out-of-the-region educational institutions or consultants.

III.Center for Management Development Self-Sustainability

Because self-sustainability of the Center for Management Development is essential to Project design, this component was analyzed in depth. (See Tables J3A - J3D) Each revenue generating activity was examined separately and in combination with the proposed service mix of CMD.

A. Seminars and Symposia

Seminars average costs are projected to be \$8,750. See Table J4, with Symposia/Seminar break-even analysis. Revenues will be generated by fees of \$625 per person for an estimated 20 participants in each of 6 events per year (after the first year). That will be \$12,500 per event for an annual total of \$75,000 generated.

The projected costs per event are less than the range of Symposium budgets for the Pilot Project, however with the follow-on Project's plan to use more regional expertise, a lower budget is possible. In keeping with this reasoning, several private sectors representative, who were interviewed during the design stage stated (a few, quite emphatically) that they would prefer to hear from regional "experts" if possible--depending on the topic. The projected costs are in the range of CAIC's budget per seminar.

The projected number of participants and the \$625 charge are conservative given the charges and numbers of attendees for similar activities in the later months of the Pilot Project. There are estimated to be upwards of 600 top and senior level managers-CMD's target group - in the EC region. At 20 participants per event, CMD will reach 20% of the market (120 managers) per year. With the saleable benefits of relevant material, dynamic presenters, and the opportunity for personal contact - which is so important to business people's function in the EC the 20% projection appears reasonable. The Pilot also included several managers who attended more than one event per year, indicating repeat market possibilities especially if different topics are presented.

Seminars/symposia are expected to generate about 15% of CMD revenues in Year 5. This amount could be increased somewhat by increasing the number of seminars, increasing the number of participants per seminars or increasing the seminars fees (unlikely - fee are already at the high end of regional fees compared with other training institutions). Possibilities for increased revenues from seminars/symposia are also limited because of market size and constraints due to the necessity of avoiding undue or deliberate competition with other training institutions and organizations represented by CMD's own board members.

As is shown in Table J4, it would take 36 seminars/symposia to break-even if CMD had no revenues for other activities, i.e., E-MBA or consulting services. This is an unrealistically large number to due to constraints noted above.

B. Consulting Fees

Marketing costs for CMD's consulting business include an annual compilation and printing cost of \$2,200 plus a direct cost of \$200 per day (or 50% of CMD's revenues) for consultant compensation. Consultants will include upgraded UWI faculty and other private sector interests which CMD will market. These charges are within current regional rates.

CMD projected revenues of \$400 per day (fees to the clients) are in the highest range of regional consulting fees but that fee level is justified because the pool of consultants (UWI faculty) available to CMD will represent depth and a broad base of expertise. Projections for consulting services are estimated at 36 days annually, a speculative estimate since CMD is unestablished as a source for consultants. This does not represent a substantial risk to CMD's self-sustainability because consulting represents only a small percentage of CMD's projected revenues.

C. Executive MBA Program

Direct costs are estimated at \$4,000 per course, with a total of six courses offered no later than year 4 and 12 courses offered thereafter (\$48,000 per 12-course year). Fees are planned to be \$5,000 per student year. This fee level was supported by several private sector interviews. Only 10 students a year are need to cover direct costs (5 students in year 4). Every student over that number will add \$5,000 to profits. (See Table J5)

The projected number of students in the CMD Profit and Loss Projection (Table J3A) and Project budget is 20 in year 4, increasing to 40 students thereafter. Since this is a two year program of study, 40 students total represents 20 in each class.

To date, market estimates of the E-MBA program are speculative. Encouraging factors include the level of applicants (7 for every position) in UWI's post-graduate Diploma of Management Studies program which is presently the only local post graduate educational possibility for management students. Also encouraging is the verbal support the E-MBA program received from members of the consortium of BIMAP, CAIC, CARICAD, the OECS and UWI and from private sector representatives. However, the demand level (the market) in the Eastern Caribbean has not been assessed to a high degree of reliability. The evaluation of the Pilot Phase completed by Pragma Corp. in early 1989 was a limited reach and, by its own admission, a less-than- finely-tuned estimate of the graduate management

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education demand. Further assessment (planned for year one of the Project) is necessary in order to predict the demand and hence the revenues with a high degree of confidence.

Since the E-MBA program is responsible for nearly 85% of CMD revenues in Year 5, substantial enrollment in the E-MBA is essential for CMD's self-sustainability.

E. CMD Cost-Effectiveness

Because CMD is designed to increase the use of regional or local expertise and will be staffed locally, it will be a very cost-effective instrument to achieve improvement of management skills and dissemination of pertinent business training information, materials and equipment throughout the Eastern Caribbean.

Development and implementation of a management training capabilities and needs assessment on a periodic and systematic basis will provide substantial savings of time for the staff of other Eastern Caribbean educational and training institutions. Staff at these institutions presently spend considerable amounts of time attempting to get to underlying issues of their constituents in order to design relevant management training. Personnel also routinely stop to answer the same questions from donor agencies and others "What training is needed in the Eastern Caribbean"; CMD based needs assessment will provide some answers from a single broad-reaching source.

F. Conclusion

The Center for Management Development has a service mix designed to increase its chances to reach a self-supporting level by the end of the Project. Although, as with any new enterprise there is a high level of risk, the CMD Board of Directors and executive staff have a few options available. (See Table J6A-B) If demand for the E-MBA is lower than the projected 20 students per year, the CMD could elect to slightly increase the number of seminars--guided by demand information from the assessments and the direction of its Board. However, if other revenues remain stable CMD would need a minimum of 35 students in the E-MBA program to break even in year 5.

Other possibilities exist. In years four and five of the Project, as staff return from their educational upgrades, opportunities for revenues from consulting services should be improved--along with other brokering opportunities with regional governments and businesses. With a competent staff and careful attention to marketing and public relations from the onset of the Project, fund raising for supplemental revenues will be possible as CMD's reputation is established.

Note: The budget assumes continuing in-kind administrative and facility support from UWI.

TABLE J1A

REGIONAL MANAGEMENT TRAINING PROJECT - PHASE II
SUMMARY BUDGET AND SOURCE OF FUNDS
(US\$ 000)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
I. CMO DEVELOPMENT COSTS						
EMBA Development	0.0	8.0	8.5	9.0	0.0	25.5
Technical Assistance	266.7	0.0	0.0	0.0	0.0	266.7
Institutional Support	0.0	155.0	100.0	0.0	0.0	255.0
Equipment, Materials & Supplies	50.0	72.0	28.6	0.0	0.0	150.6
Case Dev./Teaching Workshop	13.0	18.2	27.5	21.1	0.0	79.8
Materials Dev Specialist	60.0	63.6	67.4	71.5	0.0	262.5
	389.7	316.8	232.0	101.6	0.0	1040.1
II. CMO OPERATING COSTS						
Salaries	130.1	119.7	123.8	52.3	0.0	425.9
Other Operating Expenses	27.0	28.6	30.3	32.1	0.0	118.0
	157.1	148.3	154.1	84.4	0.0	543.9
III. DEPARTMENT OF MANAGEMENT STUDIES						
Faculty Development	85.8	91.0	150.3	128.6	75.7	531.4
BSC Development and Design	21.9	9.5	10.2	10.7	11.4	63.7
Library	11.0	15.0	15.0	12.0	10.0	63.0
Teaching Material and Equipment	46.5	0.0	0.0	0.0	0.0	46.5
PC Computer Lab	70.0	0.0	0.0	0.0	0.0	70.0
	235.2	115.5	175.5	151.3	97.1	774.6
IV. PROJECT MANAGER	50.0	53.0	56.0	59.0	62.0	280.0
V. AUDIT AND EVALUATION	15.0	15.0	60.0	15.0	60.0	165.0
VI. CONTINGENCY @ 15%	127.0	97.3	101.6	61.7	32.9	420.5
TOTAL AID INPUT	974.0	745.9	779.2	473.0	252.0	3224.1
VII. PRIVATE SECTOR						
Fees	11.4	27.5	29.2	106.9	234.8	409.8
Reserve Fund	50.0	50.0	50.0	50.0	50.0	250.0
VIII. UMI IN KIND CONTRIBUTION	60.0	60.0	60.0	60.0	60.0	300.0
	1095.4	883.4	918.4	689.9	596.8	4183.9

TABLE J18

REGIONAL MANAGEMENT TRAINING PROJECT - PHASE II

DETAILED USES OF FUNDS

(US\$ 000)

	AJD	UWI	IIICOME	TOTAL
I. CMD DEVELOPMENT COSTS				
EMBA Development	25.5	0.0	0.0	25.5
Technical Assistance	266.7	0.0	0.0	266.7
Institutional Support	255.0	0.0	0.0	255.0
Equipment, Materials & Supplies	150.6	0.0	0.0	150.6
Case Dev./Teaching Workshop	79.8	0.0	0.0	79.8
Materials Dev Specialist	262.5	0.0	0.0	262.5
	1040.1	0.0	0.0	1040.1
II. CMD OPERATING COSTS				
Salaries	425.9	0.0	409.8	835.7
Other Operating Expenses	118.0	300.0	0.0	418.0
	543.9	300.0	409.8	1253.7
III. DEPARTMENT OF MANAGEMENT STUDIES				
Faculty Development	531.4	0.0	0.0	531.4
BSC Development and Design	63.7	0.0	0.0	63.7
Library	63.0	0.0	0.0	63.0
Teaching Material and Equipment	46.5	0.0	0.0	46.5
PC Computer Lab	70.0	0.0	0.0	70.0
	774.6	0.0	0.0	774.6
IV. PROJECT MANAGER	280.0	0.0	0.0	280.0
V. AUDIT AND EVALUATION	165.0	0.0	0.0	165.0
VI. CONTINGENCY @ 15%	420.5	0.0	0.0	420.5
TOTAL PROJECT COSTS	3224.1	300.0	409.8	3933.9
VII. RESERVE FUND				
	0.0	0.0	250.0	250.0
TOTAL USES OF FUNDS	3224.1	300.0	659.8	4183.9

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TABLE J2A
 CHD SUSTAINABILITY STATEMENT YEARS 1 TO 5
 (US\$)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
SOURCES OF REVENUE:						
Seminars/Symposia (net of direct costs)	11,250	22,500	23,850	25,281	26,798	109,679
Consulting Services (")	200	5,000	5,300	5,618	5,955	27,073
E-HEA Program (")	--	--	--	76,000	152,000	228,000
Textbooks/Materials	--	--	--	--	50,000	50,000
TOTAL NET ACTIVITY REVENUE:	11,450	27,500	29,150	106,899	224,753	409,752
USES OF FUNDS:						
DEVELOPMENT (INVESTMENT) COSTS						
Strategic Planning, CHD Board	11,700	--	--	--	--	11,700
E-HEA Development	--	8,000	8,480	8,989	--	25,469
Marketing & Man. Info. Sys.	150,000	--	--	--	--	150,000
Needs Assessment	105,000	--	--	--	--	105,000
Institutional Support, Equipment etc.	--	155,000	100,000	--	--	255,000
Equipment, Materials & Supplies	--	--	--	--	--	0
Equipment & Supplies	50,000	45,000	--	--	--	95,000
Materials Dev. Specialist	60,000	63,600	67,418	71,461	--	262,479
Short Term TA	--	27,000	28,620	--	--	55,620
Case Development	--	--	--	--	--	0
Workshop	--	15,000	16,854	17,810	18,879	68,543
Inventory of Cases	3,000	3,180	--	3,370	1,060	10,610
Teaching Workshop	10,000	--	10,600	--	11,238	31,838
TOTAL DEVELOPMENT COSTS	389,700	316,780	231,970	101,630	31,175	1,071,255
OPERATING EXPENSES:						
Salaries for Core Staff	141,500	147,160	153,048	159,168	165,535	766,411
Office Supplies	1,000	1,060	1,124	1,191	1,262	5,637
Travel Budget	6,000	6,360	6,742	7,146	7,575	33,823
Telephone	12,000	12,720	13,483	14,292	15,150	67,645
Equipment Servicing	3,000	3,180	3,371	3,573	3,767	16,911
Board meetings, per diem, etc.	5,000	5,300	5,618	5,955	6,312	28,185
TOTAL OPERATING EXPENSES	168,500	175,780	183,254	191,326	199,622	918,611
TOTAL USE OF FUNDS	558,200	492,560	415,354	292,955	220,797	1,959,866
CHD SURPLUS (DEFICIT)	(546,750)	(465,060)	(386,204)	(166,058)	3,558	(1,580,114)
DEFICIT FUNDED BY USAID GRANT	546,750	465,060	386,204	166,058	0	1,584,072
TOTAL USAID CONTRIBUTION FOR CHD	546,750	465,060	386,204	166,058	0	1,584,072

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TABLE J3A
DEPARTMENT OF MANAGEMENT STUDIES, COMPONENT B
(US\$)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Faculty Development:						
Two PhD track @ \$20,000	40,000	42,400	44,544			127,344
Two MSc track @ \$20,000			44,544	55,281	50,499	150,724
Tuition Supplement Fund	10,000	10,600	11,236	11,910	12,625	56,371
Short Term Training and Airfare	21,500	22,790	24,157			68,447
Administration Fee (20%)	14,300	15,158	25,056	21,438	12,625	88,577
Design and Development of BSC.:						
Technical Assistance	12,928					12,928
Manual Development (15 courses)	9,000	9,000	10,112	10,719	11,362	50,734
Library:						
Trade and Academic Journals (80)	6,000	6,000	6,000	6,000	6,000	36,000
Back Issues of Journals (5 years)	4,000	6,000	6,000	3,000	3,000	22,000
General Business Periodicals	1,000	1,000	1,000	1,000	1,000	5,000
Audio-visual equipment, etc.	46,440					46,440
PC Computer Laboratory	70,000					70,000
SUBTOTAL	235,168	115,488	175,450	151,349	897,111	\$774,566
TOTAL (Component A)	\$235,168	\$115,488	\$175,450	\$151,349	\$97,111	\$774,566

Notes:

1. Inflation @ 6% p.a.
2. Excludes LWI in-kind support for travel expenses for faculty education.

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TABLE J22
BUDGET FOR LIBRARY
(US\$)

	Quantity	Unit Price	Category	Cost
Academic journals in Accounting, Finance, Marketing, International Business, Production and General management (five year subscription cost)	40	400		16,000
5 Year Back Issues	40	250		10,000
Trade Journals in Tourism Hotel, and Retail Management International Trade, and Exporting (five year subscription cost)	40	500		20,000
3 Year Back Issues	40	300		12,000
Newspapers/general Purpose Management Magazines, Periodicals e.g. Wall Street Journal = Journal of Commerce.				5,000
				=====
LIBRARY TOTAL:				63,000

Notes:

Average prices with delivery, surcharges, and inflation allowance.
5 year subscriptions purchased, with renewal by DCMS.

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TABLE J3C
AUDIO-VISUAL EQUIPMENT
(054)

	Quantity	Unit Price	Category
Pull-down wall screens	4	200	800
Overhead projectors and mobile stands	4	500	2,000
Portable overhead projectors	2	400	800
Video tape recorders/playback units; monitors and mobile stand	2	2,500	5,000
CPT terminal/microcomputer projector	1	2,200	2,200
Portable lecterns, built in amplifiers speakers and microphones	2	800	1,600
Video cameras, lights, microphones, related equipment for taping special presentations	2	1,800	3,600
Portable screen	1	150	150
1 1/2" color projector	1	1,600	1,600
Slide projectors	2	475	950
Photocopier	1	20,000	20,000
Subtotal			38,700
Shipping, handling @ 20%			7,740
TOTAL			46,440

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TABLE J3D
 BUDGET FOR COMPUTER LABORATORY
 (US\$)

	Quantity	Unit Price	Category Cost
Personal Computers	10	2,000	20,000
2 PC With Modems	2	2,500	5,000
LAN Network	1	5,000	5,000
Software			
Lotus, Wordstar, D-Base)			6,000
Other Software/Hardware			10,000
Faculty PC's	8	3,000	24,000

PC lab total cost:			70,000

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TABLE J4
 CENTER FOR MANAGEMENT DEVELOPMENT
 BREAK-EVEN ANALYSIS FOR SEMINARS/STIPENDIA
 (US\$)

KEY ASSUMPTIONS:	
Participant Cost Per Event:	525
Participants Per Event:	20
Revenue Per Event:	12,500
Direct Costs Per Event:	
Production costs	500
Facilities, a/v equipment, etc.	600
Travel	2,000
Consulting fees (area consultant)	2,400
Conference expenses.	1,850
Materials	1,000
	8,750
Gross Profit Per Event: (revenue less direct costs)	3,750

CMD Operating Expenses (year one)

Salaries	110,000
Office Supplies	1,000
Travel Budget	6,000
Telephone	12,000
Equipment Maintenance, Contingency	3,000
Board meetings, per diem, etc.	5,000
CMD Total Operating Expenses (year one):	137,000

Number of symposia/seminars necessary at proposed profit margin to cover fixed operating costs (Operating Costs/Profit Per Event): 36

Estimated Profit or Deficit:

No. Events	Net Profit	Operating Expenses Deficit
3	11,250	(125,750)*
4	15,000	(122,000)
6	22,500	(114,500)**

*Projected for year one.

**Projected for years 2,3,4,5.

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TABLE JS
8-YEAR PROFIT PROJECTION
(US\$)

POSSIBLE PROFIT WITH VARYING LEVELS OF ENROLLMENT

Number of Students	10	15	20	25	30	35	40	50
Total Revenue *	50,000	75,000	100,000	125,000	150,000	175,000	200,000	250,000
Less Direct Costs ** (Year 5)	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Profit	2,000	27,000	52,000	77,000	102,000	127,000	152,000	202,000

PROJECT HAS 20 STUDENTS IN YEAR 4, 40 TOTAL IN YEAR 5 AND THEREAFTER.

* Revenue @ \$5,000 per student

** Cost per course: \$4,000
(includes instructor's fee,
travel, facilities rental,
and contingencies)
Six courses taught in year 4
Twelve courses taught in year 5
and all years thereafter.

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TABLE JCA
SENSITIVITY ANALYSIS OF CMD SELF-SUSTAINABILITY
(US\$)

KEY ASSUMPTIONS:

1. E-MBA fee is \$5,000 per year, per student.
2. Symposia/Seminars generate profits per event as assumed in CMD Break-even Analysis for symposia, etc. (adjusted for 6% inflation).
3. CMD consulting revenues remain at \$100 per consulting day (adjusted for 6% inflation).
4. E-MBA direct costs remain at \$4,000 per course.
5. E-MBA is a two-year program, with 6 courses offered in the first year and 6 in the second.
6. All students complete their E-MBA.
7. Only 6 courses offered in year 4, the full 12 are offered beginning in year 5.
8. Program projection is 20 but capacity is at least 25 students per year (for a total of 50 in program)
9. CMD plans 6 but has capability to deliver 9 symposia/seminars per year.

SCENARIO A: E-MBA Program is 25% below Project projection (as shown in CMD P. & L. Table) for both year 4 and year 5

Symposia/Seminars are increased to maximum capacity (9 per year) to compensate.

- Consulting and Brokering services and income remain as projected.

	Year 4	Year 5	Total
E-MBA Revenues	75,000	150,000	225,000
E-MBA Direct Costs	24,000	48,000	72,000
E-MBA Revenue less Direct Costs	51,000	102,000	153,000
Less CMD Operating expenses	153,169	172,959	326,128
CMD Profit (Deficit) from E-MBA alone	(112,169)	(70,959)	(183,128)
Profits From Other CMD Activities: (revenues, less direct costs)			
Seminars (net)	37,922	40,197	78,119
Consulting (net)	5,618	5,955	11,573
Total From Other CMD Activities	43,540	46,152	89,692
CMD Operational Deficit	(88,629)	(24,807)	(113,436)

TABLE JCB
SENSITIVITY ANALYSIS OF CND SBLP-SUSTAINABILITY
(US\$)

KEY ASSUMPTIONS:

1. B-MBA fee is \$5,000 per year, per student.
2. Symposia/Seminars generate profits per event as assumed in CND Break-even Analysis for symposia, etc. (Table J-1) (adjusted for 6% inflation).
3. CND consulting revenues remain at \$200 per consulting day (adjusted for 6% inflation).
4. CND brokering fees remain at 10% per contract brokered.
5. B-MBA direct costs remain at \$4,000 per course.
6. B-MBA in a two year program, with 6 courses offered in the first year and 6 in the second.
7. All students complete their B-MBA.
8. Only 6 courses offered in year 4, the full 12 are offered beginning in year 5.
9. Program projection is 20 but capacity is at least 25 students per year (for a total of 50 in program)
10. CND plans 6 but has capability to deliver 9 symposia/seminars per year.

SCENARIO B: B-MBA enrollment is 25% over Project projection with 25 students in year 4 and 25 more in year 5 for a total of 50.
Symposia/Seminars remain as in projections (6 per year).
Consulting and Brokering services/income remain as projected.

	Year 4	Year 5	Total
B-MBA Revenues	125,000	250,000	375,000
B-MBA Direct Costs	24,000	48,000	72,000

B-MBA Revenue less Direct Costs	101,000	202,000	303,000
Less CND Operating Expenses	163,169	112,959	276,128

CND Profit (Deficit) from B-MBA alone	(62,169)	89,041	(33,128)

Profits From Other CND Activities: (revenues, less direct costs)			
Seminars (net)	25,281	26,198	51,479
Consulting (net)	5,618	5,955	11,573

Total From Other CND Activities	30,899	32,153	63,052

CND Operational Profit (Deficit)	(31,270)	121,194	(30,524)

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TABLE J7

REGIONAL MANAGEMENT TRAINING PROJECT
 CHD STAFF SALARY DETAILS
 (US\$)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Director	60,000	62,400	64,896	67,492	70,192	324,979
Deputy Director	46,500	48,360	50,294	52,306	54,398	251,859
Admin. Asst.	20,000	20,800	21,632	22,497	23,397	108,326
Clerk/Typist	15,000	15,600	16,224	16,873	17,548	81,245
TOTAL SALARIES	141,500	147,160	153,046	159,168	165,535	766,410

Includes an adjustment of 4% p.a

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**JOB DESCRIPTION
DIRECTOR, CENTER FOR MANAGEMENT DEVELOPMENT**

The Director of the Center for Management Development will have day to day responsibility for planning, designing, implementing, and administering all of the project activities. This scope of work involves responsibilities for performance in two areas: 1) marketing, developing, and managing the CMD; and 2) administering on behalf of UWI the Regional Management Training Project.

Specific major functions and responsibilities are in three areas:

1. CMD Institutional Development

(a) Market and promote the CMD's services and programs throughout the private sector in the OECS, and to all other relevant clientele;

(b) Mobilize financial support from the business community, donor agencies, and foundations for institutional support, contracts, grants, technical assistance, and CMD services;

(c) Establish linkages and liaison with other management training and consulting organizations, as well as comparable programs at UWI/Mona and UWI/St. Augustine for collaborative activities;

(d) Advise on and implement strategic plans and annual work plans developed for the CMD.

2. CMD Management

(a) Monitor and manage the financial affairs of the CMD through preparation of an annual budget and monthly financial statements, taking the actions necessary to achieve projected fiscal targets;

(b) Manage and monitor CMD programs to ensure that project output and activity targets are met, as stipulated in the work plans and project paper;

(c) Supervise and administer job performance, remuneration, and training of CMD staff, consistent with UWI policies;

(d) Organize and service meetings of the CMD's Board of Directors and other commodities.

3. UWI/USAID Regional Management Training Project

(a) Undertake the responsibility of leadership to implement all of the project's activities, in cooperation with the Board of Directors, project staff, DOMS personnel, and others:

(b) Prepare periodic and annual reports on project activities in a format stipulated in the project agreement and as directed by UWI/Cave Hill or requested by AID, RDO/C. This includes narrative reports on project activities and financial reports as stipulated by AID requirements;

(c) Provide technical, professional, and management support to the project;

(d) Coordinate, and facilitate, through appropriate liaison, motivation, and direction, the activities of DOMS faculty, DOMS Head of Department, and other UWI personnel involved in all aspects of the project;

(e) Supervise, contract, and control the short-term technical assistance provided under the project.

The Center Director will be contracted on a full-time, 12-month basis and be resident at Cave Hill. The incumbent will report to the Grantee's Principal Representative, presently designated as the Principal of the Cave Hill Campus. The chosen individual should have preferably an outstanding record as a successful manager of private enterprise or, secondarily, an outstanding record as an administrator and faculty member of a management training institution, with relevant Caribbean experience. An academic degree is required, preferably in management or related area is desirable. Appointment will be subject to the participation and concurrence of the CMD's Board of Directors, as stipulated in its commission statement and approval by USAID.

ANNEX L

INITIALS

APPR: JM *FW*
 DRAFT: DB *DB*
 OTHER: FS *FW*
 OTHER: MKW *FW*
 OTHER: EB *EB*

UNCLASSIFIED

AID/LAC/DR/C:DBLANE:DB:4139N
 8/30/90 647-5255
 AID/AA/LAC:JMICHEL

AID/DAA/LAC:FSCHIECK
 AID/LAC/DR:EBRINEMAN
 AID/LAC/CAR:JPETERS(SUBS)
 AID/LAC/DR:GRUSSELL(SUBS)

AID/SA/LAC:MKEENAN-WOOD
 AID/LAC/DR:JEVANS(SUBS)
 AID/GC/LAC:PSULLIVAN(DRAFT)

IMMEDIATE BRIDGETOWN

AIDAC

E.O. 12958: N/A

TAGS:

SUBJECT: RDO/C REGIONAL MANAGEMENT TRAINING PROJECT
 (526-0148) - RESULTS OF DAEC REVIEW OF PP AMENDMENT

REF: BRIDGETOWN 06235

D. DAEC REVIEW OF PP AMENDMENT FOR PHASE II OF SUBJECT PROJECT WAS HELD ON AUGUST 29, 1990. DAEC WAS CHAIRED BY ACTING LAC/DR DIRECTOR BRINEMAN. MISSION WAS REPRESENTED BY MS. LERNER AND MR. GRIFFITH. ISSUES PAPER WAS FAXED TO THE MISSION ON AUGUST 29. FOLLOWING PARAGRAPHS PRESENT RESULTS OF THE DAEC:

E. MISSION DIRECTOR IS HEREBY AUTHORIZED TO APPROVE AND AUTHORIZE THE PP AMENDMENT FOR PHASE II OF THE PROJECT. THE PP AMENDMENT WILL INCREASE THE LOP FUNDING LEVEL BY DOLS 3,224,100 AND EXTEND THE PERIOD OF THE PROJECT BY FIVE YEARS TO A TOTAL OF 9.5 YEARS. THE REVISED PACD IS DECEMBER 31, 1995. REQUEST MISSION POUCH COPIES OF ACTION MEMO AND PROJECT AUTHORIZATION TO LAC/DR.

F. ONE ISSUE WAS RAISED AT THE DAEC: WHETHER THE PROJECT (EXCLUDING THE DOMS STRENGTHENING COMPONENT) IS

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TECHNICALLY APPROPRIATE, FEASIBLE, AND CAN BE SELF-SUSTAINING, SINCE A DEMAND AND SUPPLY ASSESSMENT IS NEEDED AND A FEASIBILITY STUDY OF THE EMBA PROGRAM HAS NOT YET BEEN UNDERTAKEN.

MISSION REPRESENTATIVES CLARIFIED THAT THE PURPOSE OF THE SUPPLY AND DEMAND ASSESSMENT FOR SYMPOSIA AND SEMINARS WAS NOT TO DETERMINE OVERALL NEED BUT TO BETTER TARGET MANAGEMENT TRAINING, AND THAT WHILE FULL FEASIBILITY AND FINAL DESIGN OF THE EMBA PROGRAM STILL HAD TO BE DETERMINED, THE DEMAND FOR SUCH A PROGRAM WAS CLEAR AND THE OUTLINE OF THE PROGRAM WAS ALREADY KNOWN. OVERALL THEY NOTED THAT THE DEMAND FOR SENIOR-LEVEL MANAGEMENT TRAINING EXCEEDS, AND WILL CONTINUE TO EXCEED, THE SUPPLY OFFERED BY UWI AND OTHER MANAGEMENT TRAINING INSTITUTIONS IN THE REGION.

ON THE QUESTION OF FINANCIAL SUSTAINABILITY, IT WAS AGREED THAT THE CONDITION PRECEDENT TO SECOND YEAR DISBURSEMENT REGARDING PRIVATE SECTOR CONTRIBUTIONS TO THE RESERVE FUND WILL BE AN ADEQUATE INITIAL INDICATOR OF THE PROJECT'S FINANCIAL SUSTAINABILITY.

ALTHOUGH PROCEEDING WITH THE PROJECT WITHOUT THIS KEY FACTOR DEFINITELY ASSURED UP-FRONT MAY BE RISKY, THE LEVEL OF RISK IS ACCEPTABLE. LAC/W AGREES WITH THE MISSION'S POSITION THAT THE PROJECT SHOULD BE TERMINATED IF THE PRIVATE SECTOR DOES NOT MAKE A MEANINGFUL CONTRIBUTION TO THE RESERVE FUND BY THE END OF THE FIRST YEAR, THEREBY PUTTING THE PROJECT'S FINANCIAL VIABILITY INTO SERIOUS QUESTION. LAC/W WILL CLOSELY MONITOR IMPLEMENTATION PROGRESS, INCLUDING FIRM EVIDENCE OF PROGRAMMATIC AND FINANCIAL SUSTAINABILITY, IN THE MISSION'S ANNUAL PROJECT REPORT.

4. THE FOLLOWING COMMENTS RELATE TO SELECTED CLARIFICATIONS IN THE ISSUES PAPER:

{A} CMD'S REVENUE-GENERATING CAPACITY: LAC/W IS SKEPTICAL THAT {1} CMD WILL BE ABLE TO GENERATE FROM CONSULTING SERVICES THE LEVEL OF RESOURCES PROJECTED IN THE PP AMENDMENT'S FINANCIAL TABLES AND {2} TEXTBOOK SALES WILL PROVIDE ANY ADDITIONAL NET INCOME FOR THE CENTER. LAC/W IS ALSO NOT CONVINCED OF THE NEED TO PUBLISH NEW, REGION-SPECIFIC MANAGEMENT TEXTBOOKS. THE MISSION SHOULD CLOSELY MONITOR CMD'S REVENUE-GENERATING ACTIVITIES AND THE NEED FOR SPECIFIC NEW MANAGEMENT TEXTS AS IMPLEMENTATION PROGRESSES.

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(B) METHODS OF IMPLEMENTATION AND FINANCING: PAYMENT-- VERIFICATION POLICY STATEMENT NO. 5 REQUIRES THAT, IF HOST COUNTRY CONTRACTING IS PLANNED, AN ASSESSMENT SET FORTH A REALISTIC APPRAISAL OF THE HOST COUNTRY AGENCY'S CONTRACTING CAPABILITY. STATE 185082 REQUIRES THAT MISSION DIRECTORS DETERMINE IN WRITING THAT THE HOST COUNTRY AGENCY HAS THE CAPABILITY TO UNDERTAKE THE PROCUREMENT AFTER REVIEW BY THE MISSION DIRECTOR, CONTRACTING OFFICER, LEGAL ADVISOR AND OTHER APPROPRIATE TECHNICAL SPECIALISTS. HOST COUNTRY CONTRACTING IS PLANNED UNDER THE PROJECT BUT THE PROJECT PAPER DOES NOT NOTE THE ASSESSMENT OR THE REQUIRED DETERMINATION. LAC/W SUGGESTS THEREFORE THAT THE ASSESSMENT ON WHICH THE MISSION IS RELYING FOR THIS PROJECT BE NOTED IN THE ACTION MEMORANDUM TO THE MISSION DIRECTOR TO APPROVE AND AUTHORIZE THE PROJECT. THE RECOMMENDATION PARAGRAPH IN THE ACTION MEMO SHOULD INCLUDE THE RECOMMENDATION THAT THE MISSION DIRECTOR ALSO MAKE A SPECIFIC DETERMINATION REGARDING THE HOST COUNTRY AGENCY'S CONTRACTING CAPABILITY.

5. PROJECT AUTHORIZATION RE SOURCE AND ORIGIN FOR PROCUREMENT: LAC/W UNDERSTANDS THAT THE MISSION HAS REVISED THE PROJECT AUTHORIZATION TO REFLECT A.I.D. GEOGRAPHIC CODE 000 (U.S. ONLY) AS THE AUTHORIZED SOURCE OF PROCUREMENT OF PROJECT-FINANCED GOODS AND SERVICES. THE MISSION WILL PREPARE REQUIRED WAIVERS FOLLOWING PROJECT AUTHORIZATION BASED ON GUIDANCE ON THE "BUY AMERICA" POLICY PROVIDED IN STATE 265071 AND STATE 276461. FURTHER GUIDANCE MAY BE SOUGHT FROM GC/LAC.

E. INITIAL ENVIRONMENTAL EXAMINATION: SEPTEL WILL ADVISE ON THRESHOLD DECISION. 44

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BSc programs currently represent the vast majority of DOMS activities, in terms of budget, faculty time, and student contact. Expansion into other areas that is credible and efficient requires a base foundation of core activities which are strong, up to date, and functioning effectively.

Curriculum and program development is logically an integrated activity benefiting from a variety of approaches on several different fronts. Faculty development, necessary for seminar program delivery, is one important contribution. As outlined above, the first phase of this project will design and implement a systematic plan for meeting staffing needs. Library development, teaching materials development, and computer facility enhancement are other important elements which are described elsewhere. The DOMS evaluation conducted by the Pilot Project pointed to a number of curriculum issues which require attention. These include an overdependence on part-time staff, and absence of critical content in some programs and courses.

It is suggested that curriculum development be addressed in one primary manner: the development of 15 new course manuals. This is, in fact, the proposal of UWI in response to the DOMS evaluation conducted by the Pilot and its own evaluation. As envisioned for use in the university, the course manual can be the basic instructional tool. Used by each student, the manual contains the syllabus, exercises, topic outlines, readings, handouts, and other materials utilized in the course. As such it constitutes the core "hardware" of the course and its development by the instructor, obviously, is the primary element of course design. Consequently any curriculum reform at the course level should be based on modification or development of an appropriate manual.

For indicative planning purposes it is expected that the eight existing course manuals to be modified will be chosen from among the 12 designated courses which are the direct responsibility of the department in the BSc (Management Studies) degree program. The seven new manuals will be designed for new courses in the priority areas of international business, tourism management and planning, marketing, finance, and management science.

Given the relationship between manual design and course delivery, manuals will be developed by the instructor responsible for the individual course and subject to normal university guidelines for instructional length, content, and new course approval. To accommodate the arrival of newly trained faculty, who will presumably have responsibility for course delivery, in some new course priority areas implementation will be phased uniformly throughout the 5 year period at the level of 3 manuals per year.

University experience suggests that approximately 20-person days of effort are required for development of each manual. Since primarily DOMS faculty will be contracted to produce these manuals, it is recommended that this level of effort be used for budget purposes (20 person days at US \$150 per day) but that arrangements be made on the basis of the delivery of a final product and not a level of effort basis. This suggests that the delivered cost of a finished manual is US \$3,000 per unit, before inflation adjustments. Necessary clerical, materials, and secretarial assistance will be provided by the university. Since there are significant advantages in having course manuals developed by the individual who will also teach the course, it is expected that in most cases DOMS faculty (full-time or part-time) will produce the manuals. In some cases it may be advantageous for the manuals to be done by others, such as visiting professors, Fulbright Lecturers, or well qualified faculty on other UWI campuses or at other universities. Additionally, RDO/C holds the view that since the expertise of the DOMS staff may be limited in some aspects of manual development as outlined above, the program should be designed to provide expert consultancy guidance to DOMS staff in developing the manuals.

Costs of production, binding and distribution to students will also be undertaken by UWI, either by being absorbed in the normal university budget for class materials or by resale to students on a cost recovery basis. Depending on UWI policy, it would be most desirable for CMD to undertake printing, perhaps using project staff and desk-top publishing equipment. This would provide an identifiable service output for CMD. It would also relieve UWI and DOMS of the administrative and financial burden inherent in undertaking production itself. If resold on a cost-recovery basis, with a minimal handling fee, an additional, modest income stream for CMD would result.

(b) Technical Assistance

To assist in curriculum development 4 person-weeks of foreign technical assistance are provided in year 1 of the project. This assistance will be used for a detailed external curriculum review and development plan of the type provided by the AACSB foreign university business curriculum review program, or some other appropriate institution. Alternatively, the technical assistance,

or some part of it, could be utilized for external review of completed manuals and for providing the guidance which RDO/C suggests be provided in developing the manuals.

(3) Equipment Acquisition and Teaching Materials Development

(a) Equipment Acquisition

The Pilot Project review of DOMS strongly recommended that a plan be formulated to deal with physical facility constraints. The completion of the teaching facilities building now under construction is expected to alleviate, to some extent, the most pressing classroom requirements. The UWI is also in the process of discussing the construction of additional buildings with other potential donors. However, critical needs remain for necessary teaching equipment, especially to implement new teaching methodologies and support course development. An increased role in private sector training programs also requires upgraded and additional teaching equipment. Current needs were estimated by the UWI for equipment, which will be provided by the project, based on considerations of avoiding duplication of existing equipment, compatibility with existing equipment, and requirements of the activities, courses and programs anticipated in the future. Recommended purchases will not completely equip all DOMS utilized classrooms on a permanent basis. It is expected that the equipment will be stored in a central DOMS location to be utilized as needed. Equipment will, thus, be available for both DOMS and CMD activities.

(b) Teaching Materials Development

As suggested in all previous project studies, the development of Caribbean teaching materials is considered important, as both a way of making training more responsive to the unique characteristics of the local business community, economy, and practices and also as a way of involving DOMS faculty in business activities through material development. Two primary material development thrusts are anticipated in this project, the writing of six textbooks and a continued program of case development and dissemination.

(i) Text Book Writing

Text book writing will be supported by contracting faculty time, estimated at 60 working days over three calendar months during summer periods, with total compensation of US \$9,000 per text (60 working days at US \$150 per day). The texts prepared are to be localized, Caribbean versions of standard business school texts, but with elimination of irrelevant material, emphasis on application of standard tools and concepts to the local environment, descriptions of the local business environment, management practices and customs, as well as integration of existing Caribbean management research,

local examples and cases. The material will be original to this effort, but the focus will be on the presentation and application of standard, basic course content in the Caribbean context.

The university has identified six courses as targets for the text production effort, based on considerations of course enrollment, adequacy of existing materials, and importance of local business conditions for the material covered. All targeted areas correspond to project priority areas and/or course development and renewal initiatives to be undertaken by the university. The areas selected are Principles of Management, Marketing, Production/Operations Management, Tourism Management, Retail Management, and Export Management.

Support for text writing time will be contingent upon approval of a detailed prospectus, equivalent in scope, coverage and content to that used by commercial textbook publishers, for each specific book. UWI faculty at other campuses, and others, would be eligible for funding. The inherent small size of the text market means that Caribbeanized texts are unattractive economically under traditional text development procedures, for both authors and publishers. The \$54,000 provided is intended to remove that systemic barrier to text writing. Since many of the texts may involve recently trained faculty and newly developed courses, funding is programmed for the last 2 years of the project, to allow experience teaching courses in these subject areas to accumulate. RDO/C envisions that the CMD will carry responsibility for managing the development of these textbooks and that from the last year of the project, a small income through textbook sales will accrue to CMD.

(ii) CaseMaterials

This project provides for a limited case development and dissemination role within the DOMS, primarily to maintain and solidify the efforts began under the Pilot Project. DOMS experience with case development has been problematic to date. The Pragma evaluation documented the ability of the PIU and the workshop concept to produce cases, since quantitative targets were significantly exceeded, and also reemphasized their value as teaching aids. That same evaluation also established that very few UWI faculty participated in the case workshops and training sessions available to them. More importantly, no evidence was found that the cases produced through the PIU were ever utilized in DOMS teaching. The UWI comments on the evaluation indicated that intervening factors of scheduling, time lags, and faculty workload commitments, and not interest or suitability of the activity, may have been responsible for the poor response. Significantly, the Pragma evaluation recommended the continuation of a case development program, in any follow-on project, notwithstanding pilot project experiences. The Pragma evaluation also noted that "clearing house" activities were important for dissemination.

The project will build on these efforts by providing \$5,000 for compilation, printing, and distribution of a directory/index of cases produced by the PIU, as well as those known to exist in Jamaica, Trinidad, or other locations. This activity will be performed by project administrative staff. In addition, four case development workshop and three teaching workshops, utilizing the model and approach developed in the Pilot Project will be implemented. These programs will be directed primarily at UWI faculty, but will be open to other trainers as well. This scheduling should also allow participation by newly trained faculty and tie in effectively with the concurrent new course and materials development effort. Based on Pilot Project experiences the case development workshop is budgeted at \$15,000 and the case teaching training session at US \$5,000.

(4) Enhanced Computer Usage in the Curriculum

In order for the Department of Management Studies to be able to provide their students with the educational skills and training necessary to work in the business community of the region, it must be able to include a wide variety of computer topics in its curricula. Computing use has become so pervasive in today's business environment that each and every graduate must be familiar with or be proficient in one of more applications areas such as microcomputers applications or programming languages. The impact of microcomputers has been particularly important in the past five years, especially in the fields of Accounting, Finance and Management Information Systems.

Currently, because of computing resource limitations, there is virtually no integration of computing into the programs of the Department of Management Studies. For example, the only course that uses the computer in the BSc (Accounting) program is MS386 Data Processing and Systems Analysis. It appears that students in the BSc (Management Studies) can, through the selection of options, avoid the topic of computing entirely. Historically, the terminal room with connections to the campus minicomputer has been used almost entirely by students outside the Faculty of Social Sciences. The situation calls for immediate action if the programs offered by the Department of Management Studies are to be made more relevant to the needs of the business community.

This project element assists the university in integrating the computer into the DOMS curriculum by:

- purchasing software for student and faculty use;
- procuring 8 personal computers and related equipment for use in faculty offices for curriculum development;
- providing 20 PC's for a student laboratory, with related software and equipment dedicated exclusively to DOMS student use.

The purchase of this equipment will be contingent upon the university demonstrating the availability of an appropriate, furnished secure site for housing the equipment for student use, development of adequate specifications for obtaining bids, the availability of qualified staff to operate the laboratory, and appropriate equipment maintenance arrangements. Since the provision of up to date personal computer skills is widely considered by business educators as the one single most important contribution that recent graduates can make to small and medium sized businesses, procurement of this equipment is scheduled for year one of the project. Additionally, it should be noted that RDO/C is of the view that the arguments made for integrating computers into business training has relevance to the training programs of CMD. Ten portable laptops will, therefore, be procured for use off-campus to supplement resources at training sites, as necessary, for CMD training programs.

DOMS needs to make an immediate decision as to what software should be acquired so that students will be able to take advantage of this new computing facility. A basic inventory including a spreadsheet package, word processing package, and a database manager would seem appropriate.

The integration of microcomputing into the department of Management Studies curriculum will be a gradual process which will take several semesters to complete.

(5) Acquire Library and Information Resources

In response to the recommendation of the evaluation from the Pilot that "a coherent plan for filling gaps in the library collection must be formulated", DOMS has developed a list of materials to be purchased over the five year life of the project. The exclusive reliance on periodicals is justified by DOMS desire to emphasize current, practical information and thereby increase the relevance of the collection to private sector business needs. A natural concern is obtaining subscriptions with non-recurrent funding, given the need to develop new financial sources to maintain subscriptions at EOP. DOMS staff have provided verbal assurances that the approximately US \$8,200 needed annually to continue subscriptions will be forthcoming from private sector support or anticipated UWI library material funding. Purchase and ordering will be carried out through the well developed procedures of the university library. Specific acquisitions will be designated by DOMS subject area faculty in consultation with the university librarian.

4. Conclusion

Two separate but complementary sets of activities will be pursued in this amendment. The first focuses on strengthening the Department of Management Studies (DOMS) while the other focuses on

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the development of a Center for Management Development (DOMS). The strengthening of the Department of Management Studies will support the existing UWI program and is intended to improve the quality of managers trained by the faculty. Additionally, a strengthened DOMS will provide a resource upon which the CMD can draw in support of its program. The CMD will provide a range of training and related services to the private sector in particular. The pilot project established that there is a demand for some of these services, i.e. seminars and symposia. The private sector in Barbados and the Eastern Caribbean expressed the need and demand for the other services. In view of the aforementioned considerations, the project is regarded as a technically viable undertaking.