

E. Smalick
PDCBJ 712

MEMORANDUM OF DISTRIBUTION

I. OBLIGATION: This is a partial final award under PIO/T No. 186-0029-3-153656 If final obligation, Office of Procurement (OP) has no objections to the dereserving of any remaining funds.

II. DOCUMENT IDENTIFICATION/INFORMATION:

- a) Document No. EUR-0029-G-00-10400 Mod. No. _____
- b) Incremental funding action: YES NO
- c) Buy-in: YES NO
- d) Document has been transmitted to recipient/grantee for signature. Date transmitted: 6/21/91
- e) Method of Financing (check one only)
 - Letter of Credit
 - Periodic Advance
 - Direct Reimbursement

III. FM DISTRIBUTION:

- One original signed copy to FM for recording obligation. FM/A/PNP, Room 612; SA-2
- One copy to FM paying office. FM/CMPD, Room 700; SA-2

IV. TECHNICAL OFFICE/MISSION/CONTRACTOR DISTRIBUTION:

- Technical Office: ENE/EUR, J. French
(office symbol, name, rm, & bldg. #)
- Mission: MA
(specify)
- Program Office: ENE/PD/PCS, Judy Britt, Room 3320, N.S.
- Contractor: OSURF date mailed: _____
(copy of document signed by all parties)

V. OP DISTRIBUTION:

- Helen Tartaro, PS/SUP, Room 1435; SA-14
Copy of Delivery Orders. (Plus copy of PIO/T facesheet)
- Anna Robinson, PS/SUP, Room 1436; SA-14
OP/PS/SUP copy of all other documents, including final assistance document signed by all parties. (Plus a copy of the PIO/T facesheet)
- Copy of this form goes with each copy of the document distributed and original remains in the official file.

Diane M. Miller Date: 7-10-91
Diane M. Miller
Acting Chief, OP/OS/EE

Agency for International Development
Washington, D.C. 20523

Mr. John Tipka
The Ohio State University
Research Foundation
1960 Kenny Road
Columbus, Ohio 43210-1090

JUN 21 1991

Subject: Grant No. EUR-0029-G-00-1040-00

Dear Mr. Tipka:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D.") hereby provides to the Ohio State University Research Foundation (hereinafter referred to as "OSURF" or "Grantee") the sum of \$1,299,933 in support of the Management Training and Economics Education in Central and Eastern Europe Program (Project Number 180-0029) in Central and Eastern Europe, as more fully described in Attachment 1 of this Grant entitled "Schedule", Attachment 2, entitled "Program Description", and Attachment 4, OSURF's Grant Application.

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives for the period stated in Section B of Attachment 1. Funds disbursed by A.I.D. but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

The total estimated amount of the program is \$1,646,003, of which A.I.D. shall fund \$1,299,933 (hereinafter referred to as "Total Grant Amount") and the Grantee shall fund \$346,070. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.

This Grant is made to the Grantee on the condition that the funds will be administered in accordance with the terms and conditions as set forth in this Cover Letter, Attachment 1, entitled "Schedule", Attachment 2, entitled "Program Description", Attachment 3, entitled "Standard Provisions", and Attachment 4, OSURF's Grant Application, which together constitute the entire Grant document and have been agreed to by your organization.

Please acknowledge receipt of this Grant by signing all copies of this Cover Letter, retaining one copy for your files, and returning the remaining copies to the undersigned.

Sincerely yours,



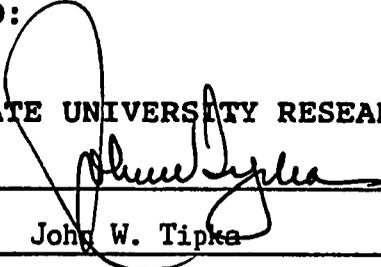
Judith D. Johnson
Grant Officer
Overseas Division
Office of Procurement

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions
4. OSURF Application

ACKNOWLEDGED:

THE OHIO STATE UNIVERSITY RESEARCH FOUNDATION

BY:  _____

TYPED NAME: John W. Tipka

TITLE: Acting Director, Administrative Services

DATE: 6/28/91

FISCAL DATA

A. GENERAL

A.1. Total Estimated Amount: \$1,299,933
A.2. Total Obligated Amount: \$1,299,933
A.3. Cost-Sharing Amount (Non-Federal): \$346,070
A.4. Project No.: 180-0029
A.5. A.I.D. Project Office: ENE/EUR, Steve French
A.6. Funding Source: A.I.D./W
A.7. Paying Office: FM/CMP/LC
A.8. Tax I.D. No.: 31-6401599
A.9. DUNS No.: 07-165-0709
A.10. LOC No.: 72-00-1341

B. SPECIFIC

B.1.(a) PIO/T No.: 180-0029-3-1183656
B.1.(b) Appropriation: 72-11X1010
B.1.(c) Allotment: 184-63-180-01-69-11
B.1.(d) BPC: QAIX-91-33180-IG-12
B.1.(e) Amount: \$1,299,933

ATTACHMENT 1

SCHEDULE

A. PURPOSE OF GRANT

The purpose of this Grant is to provide financial support for the program described in Attachment 2 of this Grant entitled "Program Description." This program is in response to the Request for Applications (hereinafter referred to as "RFA") for the Management Training and Economics Education Project.

B. PERIOD OF GRANT

B.1. The effective date of this Grant is the date of the Cover Letter and the estimated completion date is June 20, 1992.

B.2. Funds obligated hereunder shall be used to reimburse the Grantee for allowable program expenditures incurred by the Grantee in pursuit of program objectives for the estimated period from May 28, 1991 to approximately June 20, 1992.

C. AMOUNT OF GRANT AND PAYMENT

C.1. The total estimated amount of the program described in Attachment 2 of this Grant is \$1,646,000.

C.2. The total amount of the A.I.D. contribution to the total estimated program costs shown in C.1. above, to be provided through this Grant (hereinafter referred to as "Total Grant Amount") for the period shown in B.1. above is \$1,299,933.

C.3. A.I.D. hereby obligates the amount of \$1,299,933 (hereinafter referred to as "Obligated Amount") for program expenditures during the estimated period set forth in Section B.2. above. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.

C.4. Payment shall be made to the Grantee in accordance with procedures set forth in the Standard Provision of this Grant entitled "Payment - Letter of Credit," as set forth in Attachment 3.

D. GRANT BUDGET

D.1. The following is the Budget for the total estimated amount of this Grant for its full period. The Grantee may not exceed the total estimated amount or the obligated amount of this Grant, whichever is less (see Sections C.1. and C.2., respectively, above). Any revisions to the Budget must be made in accordance with the Standard Provision entitled "Revision of Grant Budget."

D.2. Budget

<u>Cost Element</u>	<u>A.I.D.</u>	<u>Grantee/ Others (Non-Fed)</u>	<u>Total</u>
(a) DIRECT COSTS			
Salaries	\$232,770	0	\$232,770
Fringe Benefits	43,237	8,610	51,847
Consultants	199,100	0	199,100
Travel/Per Diem	167,415	0	167,415
Expendable Supplies & Materials	23,815	0	23,815
Nonexpendable Equipment	20,792	0	20,792
Subcontracts/ Subagreements	376,000	337,460	713,460
Other Direct Costs	<u>28,152</u>	<u>0</u>	<u>28,152</u>
SUBTOTAL	\$1,091,281	\$346,070	\$1,437,351
(b) INDIRECT COSTS			
Overhead	<u>208,652</u>	<u>0</u>	<u>297,584</u>
TOTAL	\$1,299,933	\$346,070	\$1,646,003

D.3. Inclusion of any cost in the budget of this Grant does not obviate the requirement for prior approval by the Grant Officer of cost items designated as requiring prior approval by the applicable cost principles (see the Standard Provision of this Grant set forth in Attachment 3 entitled "Allowable Costs") and other terms and conditions of this Grant, unless specifically stated in Section I. below.

E. REPORTING REQUIREMENTS

E.1. Financial Reporting

E.1.(a) Financial reporting requirements shall be in accordance with the Standard Provision of this Grant entitled "Payment - Letter of Credit," as set forth in Attachment 3.

E.1.(b) All financial reports shall be submitted to A.I.D., Office of Financial Management, FM/A/PNP, Washington, D.C. 20523-0209. In addition, three copies of all financial reports shall be submitted to the A.I.D. Project Office specified in the Cover Letter of this Grant.

E.1.(c) With the exception of the final financial report, all financial reports shall be submitted within 30 days following the end of the reporting period. The final financial report shall be submitted within 90 days following the estimated completion date of this Grant.

E.1.(d) The Grantee's financial reports shall include expenditures of A.I.D. Grant funds provided hereunder, as well as non-federal matching funds.

E.2. Program Performance Planning and Reporting

E.2.(a) Project Implementation Plan

Not later than ninety (90) days from the effective date of this Grant (see Section 1B. above), the Grantee shall prepare and submit to the A.I.D. Project Officer specified in the Cover Letter of this Grant three (3) copies and to the Grant Officer one (1) copy of a Project Implementation Plan (PIP), for the full term of this Grant. The PIP may be either jointly developed by the U.S. grantee and the counterpart institution(s), or developed by the U.S. grantee and reviewed and concurrence by the local organization(s). The PIP must be signed by a representative of the counterpart institution(s).

The substantive areas to be included in the implementation plan include the following:

- 1). Local content or local relevance of training materials;
- 2). Management of the trainee selection system;
- 3). Local institution's commitment of facilities and staff;
- 4). Coordination with other USG funded and/or other donor programs (as applicable);

- 5). Comments and recommendations made by local (AID Rep, if available) US Embassy; and
- 6). The development of formative evaluation indicators.

The PIP with counterpart concurrence must be submitted to the local AmEmbassy and ENE/EUR within 90 days of the signature date of the grant. Compliance with this requirement will be one of the key indicators considered in reviewing grant implementation when considering second year funding.

E.2.(b) Quarterly Reports by Reference to Quantifiable Indicators and Other Evaluation Benchmarks

E.2.(b)(1) The Grantee shall submit three (3) copies of quarterly program performance reports, which coincide with the financial reporting periods described in Section E.1. above, to the A.I.D. Project Office specified in the Cover Letter of this Grant, and to the A.I.D. Representative (or AID Affairs Officer, Economic Section at the Embassy) of the country where the program is being undertaken. In addition, two copies shall be submitted to A.I.D., PPC/CDIE/DI, Washington, DC 20523-1802. These reports shall include quantitative and qualitative measures of performance; shall be submitted within 30 days following the end of the reporting period, and shall briefly present the following information:

E.2.(b)(1)(A) Implementation status including a comparison of actual accomplishments with the established evaluation benchmarks for the period. If the output of programs can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

E.2.(b)(1)(B) Reasons why established goals were not met, if applicable, including any problems or difficulties requiring U.S. Government, possibly host country, or implementing organization attention.

E.2.(b)(1)(C) Summary financial report of all project expenditures, by subcomponent.

E.2.(b)(1)(D) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

E.2.(b)(2) Special Reports

Between the required program performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Grantee shall inform the A.I.D. Project Officer as soon as the following types of conditions become known:

E.2.(b)(2)(A) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any U.S.G., or possible host country, assistance needed to resolve the situation.

E.2.(b)(2)(B) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

E.2.(b)(2)(C) If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this Grant entitled "Revision of Grant Budget," the Grantee shall submit a request for budget revision to the Grant Officer and the A.I.D. Project Officer specified in the Cover Letter of this Grant.

E.2.(b)(2)(D) Quarterly updates and proposed modifications of annual work plans, specifically to include travel projected for the subsequent quarter.

E.2.(c) Annual Report of Project

The annual report will be submitted to both ENE/EUR, A.I.D. Washington and to the A.I.D. Representative (or the AID Affairs Officer, Economic Section at the Embassy) of the country where the program is being undertaken. The annual report will substantively review performance against planned quantitative and qualitative measures. Second year funding will be contingent on the Grantee submitting complete reporting, effectively resolving implementation problems, as well as on the availability of funds and any revisions in the overall program structure that A.I.D. may require.

Within 60 days following the estimated completion date of this Grant the Grantee shall submit three copies of the final report as indicated in the preceding paragraph. It should include: (1) an executive summary of the Grant's accomplishments or failings; (2) a description of the Grant activities from its inception; (3) significance of these activities; (4) comments and recommendations; (5) a fiscal report that describes in detail how the Grant funds were used. In addition, two copies shall be submitted to A.I.D., PPC/CDIE/DI, Washington, D.C. 20523-1802.

E.2.(d) Training Reports

E.2.(d)(1) If the Standard Provision entitled "Participant Training" applies to this Grant (see Section 1K. for applicability), the Grantee shall comply with reporting and information requirements of the Standard Provision of this Grant entitled "Participant Training," as well as Chapters 5 and 24 of A.I.D. Handbook 10.

E.2.(d)(2) The Grantee shall also provide five (5) copies of quarterly training reports to the A.I.D. Project Officer, covering this Grant. The report shall include the following information:

- Total number of new trainees during the period; and
- The following information for each trainee:
 - name
 - citizenship
 - gender
 - training site
 - beginning and ending dates of training
 - purpose of training
 - type of training activities
 - source of funding

E.2.(d)(3) The Grantee shall provide three (3) copies of all training manuals produced under this Grant to the A.I.D. Project Officer.

F. CLOSEOUT PROCEDURES (OMB Circular A-110)

1. This paragraph prescribes uniform closeout procedures for A.I.D. grants and cooperative agreements.
2. The following definitions shall apply for the purpose of this paragraph:

a. Closeout. The closeout of a grant is the process by which A.I.D. determines that all applicable administrative actions and all proposed work of the grant have been completed by the Grantee and A.I.D.

b. Date of completion: The date of completion is the date on which all work under the grant is complete or the date on the award document, or any supplement or modification thereto, on which A.I.D. sponsorship ends.

c. Disallowed costs: Disallowed costs are those charges to a grant that A.I.D. or its representative determines to be unallowable, in accordance with the applicable Federal cost principles or other conditions contained in the grant.

3. A.I.D. closeout procedures are the following requirements:

a. Upon request, A.I.D. shall make prompt payments to a recipient for allowable reimbursable costs under the grant being closed out.

b. The Grantee shall immediately return any balance of unobligated (unencumbered) cash that A.I.D. has advanced or paid and that is not authorized to be retained by the Grantee for use in other grants or cooperative agreements.

c. A.I.D. shall obtain from the Grantee within 90 calendar days after the date of completion of the grant all financial, performance, and other reports required as the condition of the grant. A.I.D. may grant extensions when requested by the Grantee.

d. When authorized by the grant, A.I.D. shall make a settlement for any award or downward adjustments to A.I.D.'s share of the costs after these reports are received.

e. The Grantee shall account for any nonexpendable property acquired with A.I.D. funds.

e. In the event a final audit has not been performed prior to the closeout of the grant, A.I.D. shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

G. INDIRECT COSTS

1. Pursuant to the standard provision of this Grant entitled "Negotiated Indirect Cost Rates-Predetermined", a rate shall be established for each of the Recipient's accounting periods which apply to this Grant. Pending the establishment of revised predetermined, provisional or final indirect cost rates for each of the Grantee's accounting periods which apply to the Grant, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate(s) applied to the base(s) which is (are) set forth below:

<u>Description</u>	<u>Rate</u>	<u>Base</u>	<u>Period</u>	<u>Type</u>
Overhead	29.0%	1/	2/	Predetermined

1/ Total direct costs less items of equipment, major subgrants and subcontracts in excess of the first \$25,000 initially awarded, alterations, renovations, and patient care costs.

2/ 7/1/90 to 6/30/92

H. TITLE TO PROPERTY

Title to property acquired hereunder shall vest in the Grantee, subject to the requirements of the Standard Provision of this Grant entitled "Title To and Use of Property (Grantee Title)" regarding use, accountability, and disposition of such property.

I. PROCUREMENT AND (SUB)CONTRACTING

I.1. Authorized Geographic Codes

For grants where the total value of procurement of goods and services will exceed \$250,000, the following shall apply:

All services/goods/commodities shall have their nationality/source/origin first in the United States (A.I.D. Geographic Code 000), then Poland (A.I.D. Geographic Code 181), except as A.I.D. may otherwise agree in writing, in accordance with the Optional Standard Provision entitled, "A.I.D. Eligibility Rules for Goods and Services (November 1985)". Requests for deviations to this requirement must include a full justification to be submitted to the Project Office indicated in the cover letter of this Grant. Approval of the Grant

Officer and the Project Officer is required before procurement of this nature may be undertaken. Ocean shipping financed by A.I.D. under the program shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

I.2. Procurement Cost Detail

Whenever feasible, the lead U.S. grantee and/or its subgrantees will be responsible for purchasing the U.S. equipment and commodities required for the technical assistance components of the program. This equipment must be specifically and directly linked to the training programs undertaken under the various subcomponents. The prime grantee will be responsible for providing more exact details and specifications of the commodities they propose to procure, including estimated costs of same, when requesting approval for the procurement of the commodities.

I.3. Air Transportation

The eligibility of air travel and transportation services is determined by the flag registry of the aircraft. The Standard Provision of this Grant entitled "Air Travel and Transportation" applies. Commodities are ineligible for A.I.D. financing hereunder if shipped under an air charter that has not received prior approval of the Grant Officer, regardless of whether such transportation costs are financed hereunder.

I.4. Government Owned Organizations

Notwithstanding the foregoing, a Government Owned Organization, i.e., a firm operated as a commercial company or other organizations (including nonprofit organizations other than public educational institutions) which are wholly or partially owned by governments or agencies thereof, are not eligible as suppliers of goods and commodities, commodity-related services, or services (other than commodity-related services), except as the Grant Officer may otherwise agree in writing.

J. SPECIAL PROVISIONS

J.1. For the purposes of this Grant, references to "OMB Circular A-122" in the Standard Provisions of this Grant shall include the A.I.D. implementation of this Circular, as set forth in Subpart 731.7 of the A.I.D. Acquisition Regulations (AIDAR) (48 CFR Chapter 7).

J.2. Employee Salaries

Except as the Grant Officer may otherwise agree in writing, A.J.D. shall not be liable for reimbursing the Grantee for any costs allocable to the salary portion of direct compensation paid by the Grantee to its employees for personal services which exceed the highest salary level for a Foreign Service Officer, Class 1 (FS-1), as periodically amended.

J.3. Consultant Fees

Compensation for consultants retained by the Grantee hereunder shall not exceed, without specific approval of the rate by the Grant Officer: either the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years; or the maximum rate of a Foreign Service Officer, Class 1 (FS-1) (as periodically amended), whichever is less. A daily rate is derived by dividing the annual compensation by 2,087 and multiplying the result by 8.

J.4. Equipment and Other Capital Expenditures

J.4.(a) Requirement for Prior Approval

Pursuant to the Standard Provisions of this Grant entitled "Allowable Costs" and "Revision of Grant Budget," the Grantee must obtain A.I.D. Grant Officer approval for the following:

Purchase of General Purpose Equipment, which is defined as an article of nonexpendable tangible personal property, the use of which is not limited only to research, medical, scientific, or other activities [e.g., office equipment and furnishings, air conditioning equipment, reproduction and other equipment, motor vehicles, and automatic data processing equipment, having a useful life of more than two years and an acquisition cost of \$500 or more per unit)

J.4.(b) Approvals

In furtherance of the foregoing, the Grant Officer does hereby provide approval for the following purchases, which shall not be construed as authorization to exceed the total estimated amount or the obligated amount of this Grant, whichever is less (see Section C. above):

1. Laptop Computers (3)
2. Desk Top Copy Machines (3)
3. Video Cameras (3)
4. IBM Personal Computer (1)
5. Laser Printer (1)

J.4.(c) Exception for Automation Equipment

Any approval for the purchase of automation equipment which may subsequently be provided by the Grant Officer is not valid if the total cost of purchases of automation equipment (e.g. computers, word processors, etc.), software, or related services made hereunder will exceed \$100,000. The Grantee must, under such circumstances, obtain the approval of the Grant Officer for the total planned system of any automation equipment, software, or related services.

J.4(d) Used Equipment

Used equipment may only be purchased with the prior written approval of the Grant Officer.

J.5. Defense Base Act (DBA) and/or Medical Evacuation Insurance

Pursuant to Section J.16. of OMB Circular A-21 the Grantee is authorized to purchase DBA and/or medical evacuation insurance under this Grant.

K. ORDER OF PRECEDENCE

The grantee's proposal (application) of December 31, 1990 and revised proposal (application) of April 19, 1991 are hereby incorporated as Attachment 4. In the event of any inconsistencies in this Grant, they shall be resolved by applying the following descending order of precedence:

- Attachment 1 - Schedule
- Cover Letter
- Attachment 3 - Standard Provisions
- Attachment 2 - Program Description
- Attachment 4 - Grantee's Proposal (Application)

K. STANDARD PROVISIONS

The Standard Provisions set forth as Attachment 3 of this Grant consist of the following Standard Provisions denoted by an "X" which are attached hereto and made a part of this Grant:

**L.1. Mandatory Standard Provisions For U.S.,,
Nongovernmental Grantees**

- (X) Allowable Costs (November 1985)
- (X) Accounting, Audit, and Records (September 1990)
- (X) Refunds (September 1990)
- (X) Revision of Grant Budget (November 1985)
- (X) Termination and Suspension (May 1986)
- (X) Disputes (November 1989)
- (X) Ineligible Countries (May 1986)
- (X) Debarment, Suspension, and Other Responsibility Matters (March 1989)
- (X) Nondiscrimination (May 1986)
- (X) U.S. Officials Not to Benefit (November 1985)
- (X) Nonliability (November 1985)
- (X) Amendment (November 1985)
- (X) Notices (November 1985)

**L.2. Additional Standard Provisions For U.S.,,
Nongovernmental Grantees**

- (X) Payment - Letter of Credit (November 1985)
- () Payment - Periodic Advance (January 1988)
- () Payment - Cost Reimbursement (November 1985)
- (X) Air Travel and Transportation (November 1985)
- (X) Ocean Shipment of Goods (May 1986)
- (X) Procurement of Goods and Services (November 1985)
- (X) AID Eligibility Rules for Goods and Services (November 1985)
- (X) Subagreements (November 1985)
- (X) Local Cost Financing (November 1988)
- () Patent Rights (November 1985)
- (X) Publications (November 1985)
- (X) Negotiated Indirect Cost Rates - Predetermined (May 1986)
- (X) Negotiated Indirect Cost Rates - Provisional (May 1986)
- (X) Regulations Governing Employees (November 1985)
- (X) Participant Training (May 1986)
- () Voluntary Population Planning (August 1986)
- () Protection of the Individual as a Research Subject (November 1985)
- () Care of Laboratory Animals (November 1985)
- () Government Furnished Excess Personal Property (November 1985)
- (X) Title To and Use of Property (Grantee Title) (November 1985)
- () Title To and Care of Property (U.S. Government Title) (November 1985)
- () Title To and Care of Property (Cooperating Country Title) (November 1985)

- (X) Cost Sharing (Matching) (November 1985)
- () Use of Pouch Facilities (November 1985)
- (X) Conversion of United States Dollars to Local Currency (November 1985)

M. COST SHARING AND OTHER CONTRIBUTIONS

M.1. The Grantee agrees to expend from non-federal funds not less than the amount shown in the budget (Section D.) of this Grant under the column headed "Other".

M.2. If cost sharing is required under this Grant pursuant to section L.1. above, the Standard Provision of this Grant entitled "Cost Sharing (Matching)" applies.

M.3. The aforesaid Standard Provision makes reference to project costs. "Project Costs" are defined in Attachment E of OMB Circular A-110 as all allowable costs (as set forth in the applicable cost principles [see the Standard Provision of this Grant entitled "Allowable Costs"]) incurred by a Grantee and the value of in-kind contributions made by the Grantee or third parties in accomplishing the objectives of this Grant during the program period.

PROGRAM DESCRIPTION

A. Program Purpose

The purpose of the Management Training and Economics Education Program is to develop the technical, management, and economics skills necessary to restructure Central and Eastern European economies and develop competitive markets and businesses. The training provided by the Grantee is to serve as a catalyst to market reform in the region.

B. Background

The countries of Central and Eastern Europe are experiencing dramatic political and economic change. One of the most important changes is the restructuring of the basic economic infrastructure from a centrally-planned to a market-driven system. After 40 years of socialism, most of the citizens are not prepared for the challenges of a market economy. While most of the countries generally have highly educated and intelligent work forces, years of central planning and state ownership have left most individuals with a lack of the basic skills necessary to manage private business. Managers of small and large enterprises do not know how to deal with the choices involved in buying and selling under constantly changing market conditions characterized by a large number of choices. Government economics planners and politicians have little knowledge of alternative ownership schemes; of how to finance the privatization process; of how to redirect trade toward a wider, more competitive world market. Even the public at large needs to be educated to the awards and difficulties associated with the differentiated income and capital accumulation levels as well as the impact of changing personal buying power that is part of the market economies.

C. Program Objective and Description

The Ohio State University proposed to work with 5 Polish Universities. The technical review committee believes that beginning work with 3 universities in this fiscal year would be more appropriate. Ohio State University will design and implement a training program for university faculty in market economics education and business management, as well as opening management training centers for small businesses. The program includes 500-750 hours of lectures divided into 5 major courses and training workshops.

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APPENDIX 4C
OMB Control No. 0412-0510
Expiration Date: 12/31/89

**MANDATORY STANDARD PROVISIONS FOR
U.S., NONGOVERNMENTAL GRANTEES¹**

**INDEX OF
MANDATORY STANDARD PROVISIONS**

- | | |
|-----------------------------------|---|
| 1. Allowable Costs | 8. Debarment, Suspension, and other
Responsibility Matters |
| 2. Accounting, Audit, and Records | 9. Nondiscrimination |
| 3. Refunds | 10. U.S. Officials Not to Benefit |
| 4. Revision of Grant Budget | 11. Nonliability |
| 5. Termination and Suspension | 12. Amendment |
| 6. Disputes | 13. Notices |
| 7. Ineligible Countries | |

1. ALLOWABLE COSTS (NOVEMBER 1985)

The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the grant officer to be reasonable, allocable, and allowable in accordance with the terms of this grant, any negotiated advance understanding on particular cost items, and the applicable* cost principles in effect on the date of this grant.

* NOTE: For Educational Institutions use OMB Circular A-21; for all other non-profits use OMB Circular A-122; and for profit making firms use FAR 31.2. and AIDAR 731.2.

2. ACCOUNTING, AUDIT, AND RECORDS (SEPTEMBER 1990) *

(a) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The grantee's financial management system shall provide for the following:

¹When these Standard Provisions are used for cooperative agreements, the following terms apply: "Grantee" means "Recipient," "Grant" means "Cooperative Agreement," and "AID Grant Officer" means "AID Agreement Officer."

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(1) Accurate, current, and complete disclosure for each AID-sponsored project or program in accordance with the reporting requirements of this grant. While AID requires reporting on an accrual basis, the grantee shall not be required to establish an accrual accounting system but shall develop such accrual data for its reports on the basis of an analysis of the documentation on hand.

(2) Records that identify adequately the source and application of funds for AID-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, and income.

(3) Effective control over and accountability for all funds, property, and other assets. Grantee shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.

(4) Comparison of actual outlays with budget amounts for each grant. Financial information should be related to performance and unit-cost data whenever appropriate.

(5) Procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement by the recipient, whenever funds are advanced by the Federal Government.

(6) Procedures for determining the reasonableness, allowability, and allocability of costs in accordance with the provisions of the applicable Federal cost principles and the terms of the grant.

(7) Accounting records that are supported by documentation that at a minimum will identify, segregate, accumulate, and record all costs incurred under a grant and which fully disclose (i) the amount and disposition by the grantee of the proceeds of such assistance, (ii) the total cost of the project or undertaking in connection with which such assistance is given or used, (iii) the amount of that portion of the cost of the project or undertaking supplied by other sources, and (iv) such other records as will facilitate an effective audit.

* (8) Audits in accordance with the requirements of OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." *

(9) A systematic method to ensure timely and appropriate resolution of audit findings and recommendations.

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(b) The grantee shall preserve and make available such records for examination and audit by AID and the Comptroller General of the United States, or their authorized representatives:

(1) until the expiration of three years from the date of termination of the grant;

(2) for such longer period, if any, as is required to complete an audit to resolve all questions concerning expenditures unless written approval has been obtained from the grant officer to dispose of the records. AID follows generally accepted accounting practices in determining that there has been proper accounting and use of grant funds. The grantee agrees to make available any further information requested by AID with respect to any questions arising as a result of the audit; and

(3) If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigations, claims or audit findings involving the records have been resolved.

(c) The grantee shall require subrecipients to adopt the standards in paragraphs (a) and (b) above except that portion of subparagraph (a) 1 that would require specific financial reporting forms and frequencies in accordance with the payment provisions of the grant.

* 3. REFUNDS (SEPTEMBER 1990)

(a) The grantee shall remit to AID all interest earned on funds provided by AID at least quarterly, except that interest amounts up to \$100 per year may be retained by the grantee for administrative expense.

(b) Funds obligated by AID but not disbursed to the grantee at the time the grant expires or is terminated shall revert to AID, except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant. Any funds advanced to but not expended by the grantee and not encumbered by a legally binding transaction applicable to this grant at the time of expiration or termination of the grant shall be refunded to AID

(c) AID reserves the right to require refund by the grantee of any amount which AID determines to have been expended for purposes not in accordance with the terms and conditions of this grant, including but not limited to costs which are not allowable in accordance with the applicable Federal cost principles or other terms and conditions of this grant. In the event that a final audit has not been performed prior to the closeout of this grant, AID retains the refund right until all claims which may result from the final audit have been resolved between AID and the grantee. *

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4. REVISION OF GRANT BUDGET (NOVEMBER 1985)

- (a) The approved grant budget is the financial expression of the grantee's program as approved during the grant award process.
- (b) The grantee shall immediately request approval from the grant officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for the following reasons:
- (1) Changes in the scope or the objectives of the program and/or revisions in the funding allocated among program objectives.
 - (2) The need for additional funding.
 - (3) The grantee expects the amount of AID authorized funds to exceed its needs by more than \$5,000 or five percent of the AID award, whichever is greater.
 - (4) The grantee plans to transfer funds budgeted for indirect costs to absorb increases in direct costs or vice versa.
 - (5) The grantee intends to contract or subgrant any of the substantive programmatic work under this grant, and such contracts or subgrants were not included in the approved grant budget.
 - (6) The grantee plans to incur an expenditure which would require advance approval in accordance with the applicable Federal cost principles and was not included in the approved grant budget.
 - (7) The grantee plans to transfer funds allotted for training allowances to other categories of expense.
- (c) When requesting approval for budget revisions, the grantee shall use the budget formats that were used in the application unless a letter request will suffice.
- (d) Within 30 calendar days from the date of the receipt of the request for budget revisions, the grant officer shall review the request and notify the grantee whether the budget revisions have been approved. If the revisions are still under consideration at the end of 30 calendar days, the grant officer shall inform the grantee in writing of the date when the grantee may expect the decision. The grant officer shall obtain the project officer's clearance on all such requests prior to communication with the grantee.

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(e) If the requested budget revision requires the obligation of additional funding, and, if after notification pursuant to this standard provision, AID determines not to provide additional funds, the AID grant officer will, upon written request of the grantee, terminate this grant pursuant to the standard provision of this grant, entitled "Termination and Suspension."

(f) Except as required by other provisions of this grant specifically stated to be an exception from this provision, the Government shall not be obligated to reimburse the grantee for costs incurred in excess of the total amount obligated under the grant. The grantee shall not be obligated to continue performance under the grant (including actions under the "Termination and Suspension" provision) or otherwise to incur costs in excess of the amount obligated under the grant, unless and until the grant officer has notified the grantee in writing that such obligated amount has been increased and has specified in such notice the new obligated grant total amount.

5. TERMINATION AND SUSPENSION (MAY 1986)

(a) For Cause. This grant may be terminated for cause at any time, in whole or in part, by the grant officer upon written notice to the grantee, whenever it is determined that the grantee has failed to comply with the conditions of the grant.

(b) For Convenience. This grant may be terminated for convenience at any time by either party, in whole or in part, if both parties agree that the continuation of the grant would not produce beneficial results commensurate with the further expenditure of funds. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The agreement to terminate shall be set forth in a letter from the grant officer to the grantee.

(c) Suspension: Termination for Changed Circumstances. If at any time AID determines that continuation of funding for a program should be suspended or terminated because such assistance is not in the national interest of the United States or that it would be in violation of an applicable law, then AID may, following notice to the grantee, suspend this grant and prohibit the grantee from incurring additional obligations chargeable to this grant other than necessary and proper costs in accordance with the terms of this grant during the period of suspension. If the situation causing the suspension continues for 60 days or more, then AID may terminate this grant on written notice to the grantee and cancel that portion of this grant which has not been disbursed or irrevocably committed to third parties.

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(d) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the grantee shall take immediate action to minimize all expenditures and obligations financed by this grant and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination. The grantee shall within 30 calendar days after the effective date of such termination repay to the Government all unexpended AID funds which are not otherwise obligated by a legally binding transaction applicable to this grant. Should the funds paid by the Government to the grantee prior to the effective date of the termination of this grant be insufficient to cover the grantee's obligations in the legally binding transaction, the grantee may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The grant officer shall determine the amount(s) to be paid by the Government to the grantee under such claim in accordance with the applicable cost principles.

6. DISPUTES (November 1989)

(a) Any dispute under this grant shall be decided by the AID grant officer. The grant officer shall furnish the grantee a written copy of the decision.

(b) Decisions of the AID grant officer shall be final unless, within 30 days of receipt of the decision of the grant officer, the grantee appeals the decision to AID's Deputy Assistant to the Administrator for Management Services. Any appeal made under this provision shall be in writing and addressed to the Deputy Assistant to the Administrator for Management Services, Agency for International Development, Washington, D.C. 20523. A copy of the appeal shall be concurrently furnished to the grant officer.

(c) In order to facilitate review on the record by the Deputy Assistant to the Administrator for Management Services, the grantee shall be given an opportunity to submit written evidence in support of its appeal. No hearing will be provided.

(d) A decision under this provision by the Deputy Assistant to the Administrator for Management Services shall be final.

7. INELIGIBLE COUNTRIES (MAY 1986)

Unless otherwise approved by the AID grant officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

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8. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (MARCH 1989)

(1) The grantee certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) The grantee agrees that, unless authorized by the Grant Officer, it will not knowingly enter into any subagreements or contracts under this grant with a person or entity that is included on the "Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs". The grantee further agrees to include the following provision in any subagreements or contracts entered into under this grant:

DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION (MARCH 1989)

The recipient/contractor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(3) The policies and procedures applicable to debarment, suspension and ineligibility under AID-financed transactions are set forth in 22 CFR Part 208.

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9. NONDISCRIMINATION (MAY 1986)

(This provision is applicable when work under the grant is performed in the U.S. or when employees are recruited in the U.S.)

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this grant on the basis of race, color, national origin, age, handicap, or sex.

10. U.S OFFICIALS NOT TO BENEFIT (NOVEMBER 1985)

No member of or delegate to the U.S. Congress or resident U.S. Commissioner shall be admitted to any share or part of this grant or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this grant if made with a corporation for its general benefit.

11. NONLIABILITY (NOVEMBER 1985)

AID does not assume liability for any third party claims for damages arising out of this grant.

12. AMENDMENT (NOVEMBER 1985)

The grant may be amended by formal modifications to the basic grant document or by means of an exchange of letters between the grant officer and an appropriate official of the grantee.

13. NOTICES (NOVEMBER 1985)

Any notice given by AID or the grantee shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the AID grant officer, at the address specified in the grant.

To grantee, at grantee's address shown in the grant or to such other address designated within the grant.

Notices shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

(END OF MANDATORY STANDARD PROVISIONS)

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**OPTIONAL STANDARD PROVISIONS FOR
U.S., NONGOVERNMENTAL GRANTEES**

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with Paragraph 1E of Chapter 1 of Handbook 13. Each grant is required to have a payment provision. Check off the optional standard provisions which are included in the grant. Only those standard provisions which have been checked off are included physically within this grant.

- | | |
|---|-------------------------------------|
| 1. Payment - Letter of Credit | <input checked="" type="checkbox"/> |
| 2. Payment - Periodic Advance | <input type="checkbox"/> |
| 3. Payment - Cost Reimbursement | <input type="checkbox"/> |
| 4. Air Travel and Transportation | <input checked="" type="checkbox"/> |
| 5. Ocean Shipment of Goods | <input checked="" type="checkbox"/> |
| 6. Procurement of Goods and Services | <input checked="" type="checkbox"/> |
| 7. AID Eligibility Rules for Goods and Services | <input checked="" type="checkbox"/> |
| 8. Subagreements | <input checked="" type="checkbox"/> |
| 9. Local Cost Financing | <input checked="" type="checkbox"/> |
| 10. Patent Rights | <input checked="" type="checkbox"/> |
| 11. Publications | <input checked="" type="checkbox"/> |
| 12. Negotiated Indirect Cost Rates - Predetermined | <input checked="" type="checkbox"/> |
| 13. Negotiated Indirect Cost Rates - Provisional | <input checked="" type="checkbox"/> |
| 14. Regulations Governing Employees | <input checked="" type="checkbox"/> |
| 15. Participant Training | <input checked="" type="checkbox"/> |
| 16. Voluntary Population Planning | <input type="checkbox"/> |
| 17. Protection of the Individual as a Research Subject | <input type="checkbox"/> |
| 18. Care of Laboratory Animals | <input type="checkbox"/> |
| 19. Government Furnished Excess Personal Property | <input type="checkbox"/> |
| 20. Title to and Use of Property (Grantee Title) | <input checked="" type="checkbox"/> |
| 21. Title to and Care of Property (U.S. Government Title) | <input type="checkbox"/> |
| 22. Title to and Care of Property (Cooperating Country Title) | <input type="checkbox"/> |
| 23. Cost Sharing (Matching) | <input checked="" type="checkbox"/> |
| 24. Use of Pouch Facilities | <input type="checkbox"/> |
| 25. Conversion of United States Dollars to Local Currency | <input checked="" type="checkbox"/> |

(INCLUDE THIS PAGE IN THE GRANT)

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Payment - Letter of Credit (NOVEMBER 1985)

(This provision is applicable only when the following conditions are met: (i) the total advances under all the grantee's cost-reimbursement contracts and assistance instruments with A.I.D. exceed \$120,000 per annum, (ii) A.I.D. has, or expects to have, a continuing relationship with the grantee for at least one year; (iii) the grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof; (iv) the grantee's financial management system meets the standards for fund control and accountability required under the standard provision of this grant, entitled "Accounting, Audit, and Records" and, either (v) the foreign currency portion of the total advance under this grant is less than 50% or (vi) the foreign currency portion of the total advance under this grant is more than 50% but more than one foreign currency country is involved.)

(a) Payment under this grant shall be by means of a Letter of Credit (LOC) in accordance with the terms and conditions of the LOC and any instructions issued by A.I.D.'s Office of Financial Management, Program Accounting and Finance Division (M/FM/PAFD).

(b) As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/FM/PAFD constitute payment conditions of this grant, superseding and taking precedence over any other provision of this grant concerning payment.

(c) Reporting:

(1) A "Financial Status Report" SF-269, shall be prepared on an accrual basis and submitted quarterly no later than 30 days after the end of the period, in an original and two copies to A.I.D./M/FM/PAFD, Washington, D.C. 20523. If the grantee's accounting records are not normally kept on the accrual basis, the grantee shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand. The final report must be submitted within 90 days after the conclusion of the grant to M/FM/PAFD. In cases where grants are Mission funded, the Grantee will forward an information copy to the A.I.D. Mission accounting station at the same time the original and one copy are mailed to M/FM/PAFD, A.I.D./Washington.

(2) The grantee shall submit an original and one copy of SF-272, "Federal Cash Transactions Report," within 15 working days following the end of each quarter to M/FM/PAFD. Grantees receiving advances totaling more than \$1 million per year shall submit the SF-272 on a monthly basis within 15

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working days following the close of the month. Grantees shall report all cash advances in the remarks section of SF-272. Those cash advances in excess of immediate disbursement requirements in the hands of subrecipients or the grantee's field organizations shall be supported by short narrative explanations of actions taken by the grantee to reduce the excess balances.

(d) Revocation of the LOC is at the discretion of the authorized LOC certifying officer of M/FM/PAFD after consultation with the grant officer. Notification of revocation must be in writing and must specify the reason for revocation. M/FM/PAFD shall provide the grant officer a copy of the revocation notice and a recommendation for an alternative method of payment (periodic advance or cost reimbursement) based upon the reasons for the revocation. The grant officer shall immediately amend this agreement to provide for an appropriate alternative method of payment. The recipient may appeal any such revocation to the grant officer.

(END OF STANDARD PROVISION)

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AIR TRAVEL AND TRANSPORTATION (NOVEMBER 1985)

(This provision is applicable when any costs for air travel or transportation are included in the budget.)

(a) The grantee is required to present to the project officer for written approval an itinerary for each planned international trip financed by this grant, which shows the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advance of the proposed travel as possible, but in no event at least three weeks before travel is planned to commence. At least one week prior to commencement of approved international travel, the grantee shall notify the cognizant U.S. Mission or Embassy, with a copy to the project officer, of planned travel, identifying the travelers and the dates and times of arrival.

(b) Travel to certain countries shall, at A.I.D.'s option, be funded from U.S.-owned local currency. When A.I.D. intends to exercise this option, A.I.D. will, after receipt of advice of intent to travel required above, either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the grantee may exchange for tickets, or A.I.D. will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(c) All air travel and shipments under this grant are required to be made on U.S. flag air carriers to the extent service by such carriers is available. A U.S. flag air carrier is defined as an air carrier which has a certificate of public convenience and necessity issued by the U.S. Civil Aeronautics Board authorizing operations between the United States and/or its territories and one or more foreign countries.

(d) Use of foreign air carrier service may be deemed necessary if a U.S. flag air carrier otherwise available cannot provide the foreign air transportation needed, or if use of such service will not accomplish the agency's mission. Travel and transportation on non-free world air carriers are not reimbursable under this grant.

(e) U.S. flag air carrier service is considered available even though:

(1) Comparable or a different kind of service can be provided at less cost by a foreign air carrier;

(2) Foreign air carrier service is preferred by or is more convenient for the agency or traveler; or

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(3) Service by a foreign air carrier can be paid for in excess foreign currency, unless U.S. flag air carriers decline to accept excess or near excess foreign currencies for transportation payable only out of such monies.

(f) Except as provided in paragraph (b) of this section, U.S. flag air carrier service must be used for all Government-financed commercial foreign air travel if service provided by such carriers is available. In determining availability of a U.S. flag air carrier, the following scheduling principles should be followed unless their application results in the last or first leg of travel to or from the United States being performed by foreign air carrier:

(1) U.S. flag air carrier service available at point of origin should be used to destination or in the absence of direct or through service to the farthest interchange point on a usually traveled route;

(2) Where an origin or interchange point is not served by U.S. flag air carrier, foreign air carrier service should be used only to the nearest interchange point on a usually traveled route to connect with U.S. flag air carrier service; or

(3) Where a U.S. flag air carrier involuntarily reroutes the traveler via a foreign air carrier the foreign air carrier may be used notwithstanding the availability of alternative U.S. flag air carrier service.

(g) For travel between a gateway airport in the United States (the last U.S. airport from which the traveler's flight departs or the first U.S. airport at which the traveler's flight arrives) and a gateway airport abroad (that airport from which the traveler last embarks enroute to the U.S. or at which the traveler first debarks incident to travel from the U.S.), passenger service by U.S. flag air carrier will not be considered available:

(1) Where the gateway airport abroad is the traveler's origin or destination airport, and the use of U.S. flag air carrier service would extend the time in a travel status, including delay at origin and accelerated arrival at destination, by at least 24 hours more than travel by foreign air carrier:

(2) Where the gateway airport abroad is an interchange point, and the use of U.S. flag air carrier service would require the traveler to wait six hours or more to make connections at that point, or delayed departure from or accelerated arrival at the gateway airport in the U.S. would extend the time in a travel status by at least six hours more than travel by foreign air carrier.

(h) For travel between two points outside the U.S. the rules in paragraphs (d) through (f) of this section will be applicable, but passenger service by U.S. flag air carrier will not be considered to be reasonably available:

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(1) If travel by foreign air carrier would eliminate two or more aircraft changes enroute;

(2) Where one of the two points abroad is the gateway airport (as defined in paragraph (g) of this section) enroute to or from the United States, if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including accelerated arrival at the overseas destination or delayed departure from the overseas origin as well as delay at the gateway airport or other interchange point abroad; or

(3) Where the travel is not part of a trip to or from the United States, if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including delay at origin, delay enroute and accelerated arrival at destination.

(i) When travel under either paragraph (g) or (h) of this section involves three hours or less between origin and destination by a foreign air carrier, U.S. flag air carrier service will not be considered available when it involves twice such travel time or more.

(j) Nothing in the above guidelines shall preclude and no penalty shall attend the use of a foreign air carrier which provides transportation under an air transport agreement between the United States and a foreign government, the terms of which are consistent with the international aviation policy goals set forth at 49 U.S.C. 1502(b) and provide reciprocal rights and benefits.

(k) Where U.S. Government funds are used to reimburse the grantee's use of other than U.S. flag air carriers for international transportation, the grantee will include a certification on vouchers involving such transportation which is essentially as follows:

"CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS. I hereby certify that the transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reason(s)." (State appropriate reason(s) as set forth above).

(1) International Travel

(1) As used herein, the term "international travel" means travel to all countries other than those within the home country of the traveler. Travel outside the United States includes travel to the U.S. Trust Territories of the Pacific Islands.

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(2) The grantee will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in an international travel status in accordance with the grantee's established policies and practices which are uniformly applied to federally financed and other activities of the grantee. The standard for determining the reasonableness of reimbursement for overseas allowance is the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the grant officer.

(m) This provision will be included in all subgrants and contracts which require air travel and transportation under this grant.

(END OF STANDARD PROVISION)

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OCEAN SHIPMENT OF GOODS (MAY 1986)

(This provision is applicable when goods purchased with funds provided under this grant are transported to cooperating countries on ocean vessels.)

(a) At least 50% of the gross tonnage of all goods purchased under this grant and transported to the cooperating countries shall be made on privately owned U.S. flag commercial ocean vessels, to the extent such vessels are available at fair and reasonable rates for such vessels.

(b) At least 50% of the gross freight revenue generated by shipments of goods purchased under this grant and transported to the cooperating countries on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial ocean vessels to the extent such vessels are available at fair and reasonable rates for such vessels.

(c) When U.S. flag vessels are not available, or their use would result in a significant delay, the grantee may request a determination of non-availability from the A.I.D. Transportation Division, Office of Procurement, Washington, D.C. 20523, giving the basis for the request which will relieve the grantee of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not reimbursable under this grant.

(d) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows:

"I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the U.S. Department of Transportation, Maritime Administration, Division of National Cargo, 400 7th Street, S.W., Washington, D.C. 20590, and that such bills of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement."

(e) Shipments by voluntary nonprofit relief agencies (i.e., PVOs) shall be governed by this standard provision and by A.I.D. Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR Part 202).

(END OF STANDARD PROVISION)

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PROCUREMENT OF GOODS AND SERVICES (NOVEMBER 1985)

(This provision is applicable when goods or services are procured under the grant.)

The grantee may use its own procurement policies and practices for the procurement of goods and services under this grant, provided they conform to all of A.I.D.'s requirements listed below and the standard provision entitled "A.I.D. Eligibility Rules for Goods and Services."

(a) General Requirements:

(1) The recipient shall maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using A.I.D. funds. No employee, officer or agent shall participate in the selection, award or administration of a contract in which A.I.D. funds are used, where, to that individual's knowledge, the individual or the individual's immediate family, partners, or organization in which the individual or the individual's immediate family or partners has a financial interest or with whom that individual is negotiating or has any arrangement concerning prospective employment. The recipients' officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors. Such standards shall provide for disciplinary actions to be applied for violations of such standards by the recipients' officers, employees or agents.

(2) All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the bidder/offeror whose bid/offer is responsive/responsible to the solicitation and is most advantageous to the recipient, price and other factors considered. Solicitations shall clearly set forth all requirements that the bidder/offeror must fulfill in order to be evaluated by the recipient. Any and all bids/offers may be rejected when it is in the recipient's interest to do so.

(3) All grantees shall establish procurement procedures that provide for, at a minimum, the following procedural requirements:

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(i) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary or duplicative items. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical practical procurement.

(ii) Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features which unduly restrict competition. "Brand-name or equal" descriptions may be used as a means to define the performance of other salient requirements of a procurement and when so used the specific features of the named brand which must be met by bidders/offers shall be clearly specified.

(iii) Positive efforts shall be made by the recipients to utilize small business and minority-owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts utilizing A.I.D. funds. To permit A.I.D., in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under this grant, the grantee shall to the maximum extent possible provide the following information to the Office of Small Disadvantaged Business Utilization, A.I.D., Washington, D.C. 20523, at least 45 days prior (except where a shorter time is requested of and granted by the Office of Small and Disadvantaged Business Utilization) to placing any order or contract in excess of \$25,000:

- (A) Brief general description and quantity of goods or services;
- (B) Closing date for receiving quotations, proposals, or bids; and
- (C) Address where solicitations or specifications can be obtained.

(iv) The type of procuring instruments used, e.g. fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the recipient but must be appropriate for the particular procurement and for promoting the best interest of the program involved. The "cost-plus-a-percentage-of-cost" method of contracting shall not be used.

(v) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

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(vi) All proposed sole source contracts or where only one bid or proposal is received in which the aggregate expenditure is expected to exceed \$5,000 shall be subject to prior approval by an appropriate official within the grantee's organization.

(vii) Some form of price or cost analysis should be made in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

(viii) Procurement records and files for purchases in excess of \$10,000 shall include the following:

- (A) Basis for contractor selection;
- (B) Justification for lack of competition when competitive bids or offers are not obtained;
- (C) Basis for award cost or price.

(ix) A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions and specifications of the contract, and to ensure adequate and timely followup of all purchases.

(b) Each contract shall contain, in addition to provisions to define a sound and complete contract, the following contract provisions, if applicable, as well as any provision within this grant which requires such inclusion of that provision. Whenever a provision is required to be inserted in a contract under this grant, the grantee shall insert a statement in the contract that in all instances where the U.S. Government or A.I.D. is mentioned the grantee's name shall be substituted.

(1) Contracts in excess of \$10,000 shall contain contractual provisions or conditions that will allow for administrative, contractual or legal remedies in instances in which contractors violate or breach contract terms, and provide for such remedial actions as may be appropriate.

(2) All contracts in excess of \$10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

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(3) In all contracts for construction or facility improvement awarded for more than \$100,000, recipients shall observe generally accepted bonding requirements.

(4) All contracts awarded by the grantee or subgrantee to be performed in the United States having a value of more than \$10,000, shall contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity," as amended, and as supplemented in Department of Labor Regulations (41 CFR, Part 60).

(5) All contracts and subgrants in excess of \$2,000 for construction or repair to be performed in the United States awarded by the grantee or subgrantee shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor Regulations (29 CFR, Part 3). This Act provides that each contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which that individual is otherwise entitled. The grantee shall report all suspected or reported violations to A.I.D.

(6) When required by the Federal program legislation, all construction contracts to be performed in the United States awarded by the grantee or subgrantee of more than \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The grantee shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The grantee shall report all suspected or reported violations to A.I.D.

(7) Where applicable, all contracts awarded by the grantee or subgrantees in excess of \$2,000 for construction contracts to be performed in the United States and its territories and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers, shall include a provision for compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard work day of 8 hours and a standard workweek of 40 hours. Work in excess of the standard workday or workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 8 hours in

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any calendar day or 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous to the worker's health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies of materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(8) Contracts, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health, safety or welfare; or contracts in the fields of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the contract are subject to the regulations included in these grant provisions. The contractor shall be advised as to the source of additional information regarding these matters.

(9) All negotiated contracts over \$10,000 awarded by the grantee shall include a provision to the effect that the grantee, A.I.D., the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(10) Contracts in excess of \$100,000 to be performed in the United States shall contain a provision that requires the contractor to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 7401) and the Federal Water Pollution Control Act (40 CFR 15) as amended. Violations shall be reported to A.I.D. and the Regional Office of the Environmental Protection Agency.

(11) Contracts which require performance outside the United States shall contain a provision requiring Workmen's Compensation Insurance (42 U.S.C. 1651, et seq.). As a general rule, Department of Labor waivers will be obtained for persons employed outside the United States who are not United States citizens or residents provided adequate protection will be given such persons. The grantee should refer questions on this subject to the A.I.D. grant officer.

(END OF STANDARD PROVISION)

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A.I.D. ELIGIBILITY RULES FOR GOODS AND SERVICES (NOVEMBER 1985)

(This provision is applicable when goods or services are procured under the grant.)

(a) Ineligible and Restricted Goods and Services: If A.I.D. determines that the grantee has procured any of the restricted or ineligible goods and services specified below, or has procured goods and services from unauthorized sources, and has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to A.I.D. the entire amount of the reimbursement. A.I.D.'s policy on ineligible and restricted goods and services is contained in Chapter 4 of A.I.D. Handbook 1, Supplement B, entitled "Procurement Policies".

(1) Ineligible Goods and Services. Under no circumstances shall the grantee procure any of the following under this grant:

- (i) Military equipment,
- (ii) Surveillance equipment,
- (iii) Commodities and services for support of police or other law enforcement activities,
- (iv) Abortion equipment and services,
- (v) Luxury goods and gambling equipment, or
- (vi) Weather modification equipment.

(2) Ineligible Suppliers. Funds provided under this grant shall not be used to procure any goods or services furnished by any firms or individuals whose name appears on the A.I.D. Consolidated List of Debarred, Suspended, and Ineligible Awardees under A.I.D. Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). A.I.D. will provide the grantee with a copy of this list upon request.

(3) Restricted Goods. The grantee shall not procure any of the following goods and services without the prior written authorization of the grant officer:

- (i) Agricultural commodities,
- (ii) Motor vehicles,
- (iii) Pharmaceuticals,
- (iv) Pesticides,
- (v) Rubber compounding chemicals and plasticizers,
- (vi) Used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) Fertilizer.

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(b) Source, Origin, and Nationality: The eligibility rules for goods and services are based on source, origin, and nationality and are divided into two categories. One applies when the total procurement during the life of the grant is over \$250,000 and the other applies when the total procurement element during the life of the grant is not over \$250,000. The total procurement element includes procurement of all goods (e.g., equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the grant officer. A.I.D. policies and definitions on source, origin, and nationality are contained in Chapters 4 and 5 of A.I.D. Handbook 1, Supplement B, entitled "Procurement Policies".

(1) When the total procurement element during the life of this grant is valued at \$250,000 or less, the following rules apply:

(i) All goods and services, the costs of which are to be reimbursed under this grant and which will be financed with U. S. dollars, shall be purchased in and shipped from only "Special Free World" countries (i.e., A.I.D. Geographic Code 935) in accordance with the following order of preference:

- (A) The United States (A.I.D. Geographic code 000),
- (B) The Cooperating Country,
- (C) "Selected Free World" countries (A.I.D. Geographic Code 941), and
- (D) "Special Free World" countries (A.I.D. Geographic Code 935).

(ii) Application of Order of Preference: When the grantee procures goods and services from other than U.S. sources, under the order of preference in paragraph b(1)(i) above, the grantee shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the grantee's documentation:

- (A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
- (B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
- (C) Impelling local political considerations precluded consideration of U.S. sources,
- (D) The goods or services were not available from U.S. sources, or

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(E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the grant.

(2) When the total procurement element exceeds \$250,000, the following rule applies: Except as may be specifically approved or directed in advance by the grant officer, all goods and services, which will be reimbursed under this grant and financed with U. S. dollars, shall be procured in and shipped from the U. S. (Code 000) and from any other countries within the authorized geographic code as specified in the schedule of this grant.

(c) Marine Insurance: The eligibility of marine insurance is determined by the country in which it is placed. Insurance is placed in a country if payment of the insurance premium is made to, and the insurance policy is issued by an insurance company located in that country. Eligible countries for placement are governed by the authorized geographic code, except that if Code 941 is authorized, the Cooperating Country is also eligible. Section 604(d) of the Foreign Assistance Act requires that if a recipient country discriminates by statute, decree, rule, or practice with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in the U. S., then any A.I.D.-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the U. S. with a company or companies authorized to do marine insurance business in the U. S.

(d) Ocean and air transportation shall be in accordance with the applicable provisions contained within this grant.

(e) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by A.I.D. in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources, in order of preference:

- (1) The United States (A.I.D. Geographic Code 000),
- (2) The Cooperating Country,
- (3) "Selected Free World" countries (A.I.D. Geographic Code 941), and
- (4) "Special Free World" countries (A.I.D. Geographic Code 899).

(f) Special Restrictions on the Procurement of Construction or Engineering Services: Section 604(g) of the Foreign Assistance Act provides that A.I.D. funds may not be used for "procurement of construction or engineering services from advanced developing countries, eligible under Geographic Code 941, which

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have attained a competitive capability in international markets for construction services or engineering services." In order to insure eligibility of a Code 941 contractor for construction or engineering services, the grantee shall obtain the grant officer's prior approval for any such contract.

(END OF STANDARD PROVISION)

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SUBAGREEMENTS (NOVEMBER 1985)

(This provision is applicable when subgrants or cooperative agreements are financed under the grant.)

(a) Funds provided under this grant shall not be used to support any subrecipient whose name appears on the A.I.D. Consolidated List of Debarred, Suspended, or Ineligible Awardees under A.I.D. Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). A.I.D. will provide the grantee with a copy of this list upon request.

(b) All subagreements shall as a minimum contain, in addition to provisions to define a sound and complete agreement, the following provisions as well as any that are specifically required by any other provision in this grant. Whenever a provision within this grant is required to be inserted in a subagreement, the grantee shall insert a statement in the subagreement that in all instances where the U.S. Government is mentioned, the grantee's name will be substituted.

(1) Subagreements in excess of \$10,000 shall contain provisions or conditions that will allow for administrative or legal remedies in instances where subrecipients violate subagreement terms and provide for such remedial action as may be appropriate.

(2) All subagreements in excess of \$10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such subagreements shall describe conditions under which the subagreement may be terminated for default as well as conditions where the subagreement may be terminated because of circumstances beyond the control of the subrecipient.

(3) Subagreements, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health, safety or welfare; or subagreements in the field of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the subagreement are subject to the regulations contained in the provisions of this grant. The subrecipient shall be advised as to the source of additional information regarding these matters.

(4) All subagreements over \$10,000 issued by recipients shall include a provision to the effect that the recipient, A.I.D., the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the subrecipient which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(END OF STANDARD PROVISION)

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* **LOCAL COST FINANCING (NOVEMBER 1988)**

(This provision applies only when local costs are authorized by the grant, and must be used with the standard provision entitled "Procurement of Goods and Services.")

(a) Costs qualifying as local costs are eligible for financing under the grant in accordance with the terms of this standard provision. Local costs are defined as (1) indigenous goods, (2) imported shelf items, and (3) services provided by suppliers meeting the requirements contained in subparagraph (b). Indigenous goods are those that have been mined, grown or produced in the cooperating country through manufacture, processing or assembly. In the case of produced goods containing imported components, to qualify as indigenous a commercially recognized new commodity must result that is substantially different in basic characteristics or in purpose or utility from its components. Imported items are eligible for financing under the following situations: (1) Imported items available in the cooperating country which otherwise meet the source/origin requirements of the grant may be financed in unlimited quantities, regardless of dollar value, up to the total amount available for local procurement under the terms of the grant agreement. (2) Imported items from Geographic Code 941 countries which are available in the cooperating country can be funded in unlimited quantities, regardless of dollar value, up to the total amount available for local procurement under the terms of the grant. (3) Imported items from any Free World country which are available locally, or imported specifically for the grant, may be financed if the cost of the transaction, excluding the cost of the transportation, does not exceed the local currency equivalent of \$5,000. *

(b) To qualify as local costs, goods and services must also meet the following additional requirements:

- (1) They must be paid for in local currency.
- (2) The supplier must be located in the cooperating country and must be of cooperating country nationality as defined in AID Handbook 1B, Chapter 5.
- (3) Any component from a country not included in AID geographic code 935 renders a commodity ineligible for financing.

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(c) Ineligible Goods and Services: Under no circumstances shall the grantee procure any of the following under this grant:

- (1) Military equipment,
- (2) Surveillance equipment,
- (3) Commodities and services for support of police or other law enforcement activities,
- (4) Abortion equipment and services,
- (5) Luxury goods and gambling equipment, or
- (6) Weather modification equipment.

(d) Ineligible Suppliers: Funds provided under this grant shall not be used to procure any goods or services furnished by any firm or individual whose name appears on A.I.D.'s Consolidated List of Debarred, Suspended, or Ineligible Awardees (A.I.D. Regulation 8, (22 CFR 208)). A.I.D. will provide the grantee with this list upon request.

(e) Restricted Goods: The grantee shall not procure any of the following goods and services without the prior written authorization of the grant officer:

- (1) Agricultural commodities,
- (2) Motor vehicles,
- (3) Pharmaceuticals,
- (4) Pesticides,
- (5) Rubber compounding chemicals and plasticizers,
- (6) Used equipment,
- (7) U.S. Government-owned excess property, or
- (8) Fertilizer.

(f) If A.I.D. determines that the grantee has procured any of the restricted or ineligible goods and services specified in subparagraphs (c) through (e) above, or has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to A.I.D. the entire amount of the reimbursement.

(END OF STANDARD PROVISION)

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PUBLICATIONS (NOVEMBER 1985)

(This provision is applicable when publications are financed under the grant.)

(a) If it is the grantee's intention to identify A.I.D.'s contribution to any publication resulting from this grant, the grantee shall consult with A.I.D. on the nature of the acknowledgement prior to publication.

(b) The grantee shall provide the A.I.D. project officer with one copy of all published works developed under this grant and with lists of other written work produced under the grant.

(c) In the event grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the grant unless the schedule of the grant has identified the profits or royalties as program income.

(d) Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this grant, but A.I.D. reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

(END OF STANDARD PROVISION)

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NEGOTIATED INDIRECT COST RATES - PREDETERMINED (MAY 1986)

(This provision is applicable to organizations whose indirect cost rate(s) under this grant are on a predetermined basis.)

- (a)** The allowable indirect costs under this grant shall be obtained by applying predetermined indirect cost rate(s) to the base(s) agreed upon by the parties, as specified in the schedule of this grant.
- (b)** Not later than 90 days after the close of the grantee's fiscal year, the grantee shall submit to the cognizant Government Audit Activity in accordance with OMB Circular A-88 a proposed predetermined indirect cost rate(s) and supporting cost data. In the event A.I.D. is the cognizant agency or no cognizant agency has been designated, the grantee shall submit a copy of the proposed predetermined indirect cost rate(s) and supporting cost data to the A.I.D. Inspector General, Washington, D.C. 20523, and to the Overhead and Special Costs - Contract Closeout Branch, Office of Procurement, Washington, D.C. 20523. The proposed rate(s) shall be based on the grantee's actual cost experience during that fiscal year. Negotiations of predetermined indirect cost rate(s) shall begin as soon as practical after receipt of the grantee's proposal.
- (c)** Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the provisions of the applicable cost principles in effect on the date of this grant.
- (d)** Rates for subsequent periods shall be negotiated and the results of each negotiation shall be set forth in a written indirect cost rate agreement executed by both parties. Such agreement shall be automatically incorporated into this grant upon execution and shall specify (1) the agreed upon predetermined rate(s), (2) the base(s) to which the rate(s) apply, (3) the fiscal year (unless the parties agree to a different period) for which the rate(s) apply, and (4) the specific items treated as direct costs or any changes in the items previously agreed to be direct costs. The indirect cost rate agreement shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.
- (e)** Pending establishment of predetermined indirect cost rate(s) for any fiscal year or different period agreed to by the parties, the grantee shall be reimbursed either at the rate(s) fixed for the previous fiscal year or other period or at billing rate(s) acceptable to the A.I.D. grant officer subject to appropriate adjustment when the final rate(s) for the fiscal year or other period are established.

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(f) Any failure by the parties to agree on any predetermined indirect cost rate(s) under this provision shall not be considered a dispute within the meaning of the "Disputes" provision of this grant. If for any fiscal year or other period specified in the grant the parties fail to agree on a predetermined indirect cost rate(s), it is agreed that the allowable indirect costs under this grant shall be obtained by applying negotiated final indirect cost rate(s) in accordance with the terms of the standard provision of this grant entitled "Negotiated Indirect Cost Rates - Provisional".

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NEGOTIATED INDIRECT COST RATES - PROVISIONAL (MAY 1986)

(This provision is applicable to any organization which does not have predetermined indirect cost rate(s); however, it shall also be included when the NEGOTIATED INDIRECT COST RATES - PREDETERMINED standard provision is used.)

- (a) A provisional indirect cost rate(s) shall be established for each of the grantee's accounting periods during the term of this grant. Pending establishment of a final rate(s), the parties have agreed that provisional payments on account of allowable indirect costs shall be at the rate(s), on the base(s), and for the periods shown in the schedule of this grant.
- (b) Not later than 90 days after the close of the grantee's fiscal year, the grantee shall submit to the cognizant Government Audit Activity in accordance with OMB Circular A-88 proposed final indirect cost rate(s) and supporting cost data. In the event A.I.D. is the cognizant agency or no cognizant agency has been designated, the grantee shall submit a copy of the proposed final indirect cost rate(s) and supporting cost data to the A.I.D. Inspector General, Washington, D.C. 20523, and to the Overhead and Special Costs - Contract Closeout Branch, Office of Procurement, Washington, D.C. 20523. The proposed rate(s) shall be based on the grantee's actual cost experience during that fiscal year. Negotiations of final indirect cost rate(s) shall begin as soon as practical after receipt of the grantee's proposal.
- (c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles in effect on the date of this grant.
- (d) The results of each negotiation shall be set forth in a written indirect cost rate agreement executed by both parties. Such agreement shall specify (1) the agreed upon final rate(s), (2) the base(s) to which the rate(s) apply, and (3) the period for which the rate(s) apply. The indirect cost rate agreement shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.
- (e) Pending establishment of final indirect cost rate(s) for any period, the grantee shall be reimbursed either at negotiated provisional rate(s) as provided above or at billing rate(s) acceptable to the grant officer, subject to appropriate adjustment when the final rate(s) for that period are established. To prevent substantial over or under payment, the provisional or billing rate(s) may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of negotiated provisional rate(s) provided in this standard provision shall be set forth in a modification to this grant.

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(f) Any failure by the parties to agree on final rate(s) under this standard provision shall be considered a dispute within the meaning of the standard provision of this grant entitled "Disputes" and shall be disposed of in accordance therewith.

(END OF STANDARD PROVISION)

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REGULATIONS GOVERNING EMPLOYEES (NOVEMBER 1985)

(The following applies to the grantee's employees who are not citizens of the cooperating country.)

- (a) The grantee's employees shall maintain private status and may not rely on local U.S. Government offices or facilities for support while under this grant.
- (b) The sale of personal property or automobiles by grantee employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire A.I.D. personnel employed by the Mission except as this may conflict with host government regulations.
- (c) Other than work to be performed under this grant for which an employee is assigned by the grantee, no employee of the grantee shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession or occupation in the foreign countries to which the individual is assigned.
- (d) The grantee's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.
- (e) In the event the conduct of any grantee employee is not in accordance with the preceding paragraphs, the grantee's chief of party shall consult with the A.I.D. Mission Director and the employee involved and shall recommend to the grantee a course of action with regard to such employee.
- (f) The parties recognize the rights of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this grant of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.
- (g) If it is determined, under either (e) or (f) above, that the services of such employee shall be terminated, the grantee shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

(END OF STANDARD PROVISION)

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OMB Control No. 0412-0510
Expiration Date: 12/31/89

PARTICIPANT TRAINING (MAY 1986)

(This provision is applicable when any participant training is financed under the grant.)

(a) **Definition:** A participant is any non-U.S. individual being trained under this grant outside of that individual's home country.

(b) **Application of Handbook 10:** Participant training under this grant is to be conducted according to the policies established in A.I.D. Handbook 10, Participant Training, except to the extent that specific exceptions to Handbook 10 have been provided in this grant with the concurrence of the Office of International Training. (Handbook 10 may be obtained by submitting a request to the Office of International Training (S&T/IT), Agency for International Development, Washington, D.C. 20523.) Except for paragraph (h) on orientation, the following paragraphs in this standard provision are not subject to waiver except as specifically stated.

(c) **Participant Training Information System:** All grantees shall ensure that participants trained in the United States or in a third country are included in the Agency's Participant Training Information System.

The grantee shall fill out form A.I.D. 1381-4 entitled "Participant Data" and send it to the addresses indicated on the back of the form. The grantee can obtain a supply of these forms and additional instructions for completing them from the Office of International Training. Data should be submitted prior to the initiation of participant travel. If this is not possible, the forms should be prepared and submitted immediately after arrival of the participant(s). The grantee shall also submit to the Office of International Training a blue copy of the form when subsequent changes in the participant's training program are made and at termination of participant's training program, ensuring that the original participant number (pre-printed on the form) is used.

(d) **Visa Requirements for Training Within The United States:**

(1) Under the authority of Section 635(f) of the Foreign Assistance Act, A.I.D.-sponsored participants are admitted to the United States under the Department of State/USIA Exchange Visitor Program and are issued J-1 visas. The program identification number is G-2-0263.

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(2) J-1 visas are issued by the U.S. Embassy or Consulate for A.I.D.-sponsored participants upon submission by the participant of Form IAP-66A which may be obtained only from the A.I.D. Mission. The Mission retains one copy of the IAP-66A and forwards one copy to A.I.D./S&T/IT.

(3) Holders of J-1 visas are subject to the Immigration and Nationality Act, as amended, and may not apply for an immigrant or an H or L nonimmigrant visa until 2 years' residency is completed in their home country, after completion of training.

(4) Participant passports and visas should normally be valid for six months beyond the duration of the proposed program to allow for program readjustments if necessary. This may not be regarded as an opportunity to encourage program extensions.

(e) Maintenance and Other Allowances: Grantees must observe the maintenance and other allowances for A.I.D.-sponsored participants in the United States and third countries as set forth in Handbook 10. No exceptions or variations are permissible except with the advance concurrence of the Office of International Training.

(f) Health and Accident Coverage (HAC) Program For Training Within The United States: The grantee shall enroll all participants training in the United States in A.I.D.'s HAC Program. HAC Program coverage for an enrolled participant begins at the moment of departure from the host country to the United States until the moment of return to the host country providing, however, that there is not substantial unapproved delay between completion of training under this grant and the return, and that there is no layover at any point to or from the United States except the minimal amount necessary for plane connections.

(1) The HAC Program enables the participant, or the provider of medical services, to submit bills for medical costs resulting from illness and accident to the HAC Claims Office which pays all reasonable and necessary medical charges for covered services not otherwise covered by other insurance programs (see paragraph 6 below), in accordance with the standard coverage established by A.I.D. under the HAC Program.

(2) The grantee shall, as early as possible and no later than the initiation of travel to the United States by each participant financed by A.I.D. under this grant, fill out form A.I.D. 1381-4 entitled "Participant Data" and mail it to the addressees indicated on the back of the form. The grantee can obtain a supply of these forms and instructions for completing them from the Office of International Training at the address indicated in section (b) above.

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(3) Enrollment fees shall be submitted, thirty days prior to the beginning of each new enrollment period. Payments will be made via check made payable to A.I.D. and submitted to:

Agency for International Development
Office of Financial Management
Central Accounting Division-Cashier (FM/CAD)
Washington, D.C. 20523

(i) The enrollment fee shall be accompanied by a letter which lists the names of the participants (identical to that on the Participant Data Form), participant I.D. numbers from the Participant Data Form, period of coverage, fee amount paid, grant number, name of grantee, host country, and the U. S. Government appropriation number as shown on the grant.

(ii) The enrollment fees shall be calculated on the basis of fixed rates per participant per each 30 day period. The enrollment fees may not be prorated for fractional periods of less than 30 days and should cover the current training period for which funds are obligated under the grant. Current rates are found in Handbook 10 Participant Training Notices.

(4) The grantee shall assure that enrollment begins immediately upon the participant's departure for the United States for the purpose of participating in a training program financed or sponsored by A.I.D., and that enrollment continues in full force and effect until the participant returns to his or her country of origin or is released from A.I.D.'s responsibility, whichever occurs first. The grantee shall continue enrollment coverage for participants whose departure is delayed due to medical or other compelling reasons, with the written concurrence of the grant officer.

(5) The grantee shall provide each participant with a copy of the HAC brochure, copies of which are available from S&T/IT at the address indicated in section (b) above.

(6) If the grantee has a mandatory, nonwaivable health and accident insurance program for participants, the costs of such insurance will be allowable under this grant. Any claims eligible under such insurance will not be payable under A.I.D.'s HAC plan or under this grant. However, even though the participant is covered by the grantee's mandatory, nonwaivable health and accident insurance program, the participant must be enrolled in A.I.D.'s HAC Program. In addition, a copy of the mandatory insurance policy must be forwarded to the HAC Claims Office.

(7) Medical costs not covered by the grantee's health service program or mandatory, nonwaivable health and accident insurance program, or A.I.D.'s HAC Program shall not be reimbursable under this grant unless specific written approval from the grant officer has been obtained.

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(g) Participant Counseling For Training Within The United States: Problems involving participants such as serious physical or emotional illness, accident or injury, arrest, death, the voluntary or involuntary early termination of a program, and the refusal of a participant to return to the home country upon completion of the program should be referred to the A.I.D. Participant Counselor at the Office of International Training.

The Counselor can be reached by calling the Office of International Training during workdays and the A.I.D. Duty Officer (202-647-1512) at other times. In referring cases, give the Counselor the name, country, and current location of the participant as well as a brief description of the problem with names and telephone numbers of hospitals, physicians, attorneys, etc. Following verbal referral, the participant's name, home address, and next of kin, and location of training should be sent to the grant officer, who will transmit the information to the S&T/IT Counselor.

(h) Orientation: In addition to the above mandatory requirements for all participants, grantees are strongly encouraged to provide, in collaboration with the Mission training officer, predeparture orientation (see Chapter 13 of Handbook 10) and orientation in Washington at the Washington International Center (see Chapter 18D of Handbook 10). The latter orientation program also provides the opportunity to arrange for home hospitality in Washington and elsewhere in the United States through liaison with the National Council for International Visitors (NCIV). If the Washington orientation is determined not to be feasible, home hospitality can be arranged in most U.S. cities if a request for such is directed to the grant officer, who will transmit the request to NCIV through S&T/IT.

(END OF STANDARD PROVISION)

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TITLE TO AND USE OF PROPERTY (GRANTEE TITLE) (NOVEMBER 1985)

(This provision is applicable when the Government vests title to property in the grantee only.)

Title to all property financed under this grant shall vest in the grantee, subject to the following conditions:

(a) The grantee shall not charge for any depreciation, amortization, or use of any property, title to which remains in the grantee under this provision under this grant or any other U.S. Government agreement, subagreement, contract, or subcontract.

(b) The grantee agrees to use and maintain the property for the purpose of the grant in accordance with the requirements of paragraphs (c), (d), (e), and (f) below.

(c) Real Property:

(1) Real property means land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

(2) Use of Real Property:

(i) The grantee shall use the real property for the authorized purpose of the project, as long as it is needed.

(ii) The grantee shall obtain approval from A.I.D. for the use of real property in other projects when the grantee determines that the property is no longer needed for the purpose of the original program. Use in other programs shall be limited to those under other federally sponsored programs (i.e., grants or other agreements) that have purposes consistent with those authorized for support by A.I.D.

(3) Disposition of Real Property: When the real property is no longer needed as provided in (2) above, the grantee shall request disposition instructions from A.I.D. or its successor Federal sponsoring agency. A.I.D. or the successor Federal sponsoring agency shall observe the following rules in the disposition instructions:

(i) The grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original program to the fair market value of the property.

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(ii) The grantee may be directed to sell the property under guidelines provided by the Federal sponsoring agency and pay the Federal Government an amount computed by applying the Federal percentage of participation in the cost of the original program to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). When the grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

(iii) The grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the grantee shall be entitled to compensation computed by applying the grantee's percentage of participation in the cost of the program to the current fair market value of the property.

(d) Nonexpendable Property:

(1) Nonexpendable personal property means tangible personal property having a useful life of more than two years and an acquisition cost of \$500 or more per unit.

(2) Use of Nonexpendable Personal Property:

(1) The grantee shall use the property in the program for which it was acquired as long as needed, whether or not the program continues to be supported by Federal funds. When no longer needed for the original program, the grantee shall use the property in connection with its other federally sponsored activities in the following order of priority:

(A) Activities sponsored by A.I.D.

(B) Activities sponsored by other Federal agencies.

(ii) Shared use - During the time that nonexempt nonexpendable personal property is held for use on the program for which it was acquired the grantee shall make it available for use on other programs if such other use will not interfere with the work on the program for which the property was originally acquired. First preference for such other use shall be given to other programs sponsored by A.I.D.; second preference shall be given to programs sponsored by other Federal agencies. User charges should be considered if appropriate.

(3) Disposition Of Nonexpendable Personal Property - With A Unit Acquisition Cost Of Less Than \$1,000: The grantee may use the property for other activities without reimbursement to the Federal Government or sell the property and retain the proceeds.

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(4) Disposition Of Nonexpendable Personal Property With A Unit Acquisition Cost Of \$1,000 Or More:

(i) The grantee agrees to report such items to the grant officer from time to time as they are acquired and to maintain a control system which will permit their ready identification and location.

(ii) The grantee may retain the property for other uses provided that compensation is made to A.I.D. or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original program to the current fair market value of the property. If the grantee has no need for the property and the property has further use value, the grantee shall request disposition instructions from A.I.D.

(iii) A.I.D. shall determine whether the property can be used to meet A.I.D. requirements. If no requirement exists within A.I.D. the availability of the property shall be reported to the General Services Administration by A.I.D. to determine whether a requirement for the property exists in other Federal agencies. A.I.D. shall issue instructions to the recipient no later than 120 days after the grantee's request and the following procedures shall govern:

(A) If so instructed or if disposition instructions are not issued within 120 calendar days after the grantee's request, the grantee shall sell the property and reimburse A.I.D. an amount computed by applying to the sales proceeds that percentage of Federal participation in the cost of the original program. However, the grantee shall be permitted to deduct and retain from the Federal share \$100 or ten percent of the proceeds, whichever is greater, for the grantee's selling and handling expenses.

(B) If the grantee is instructed to ship the property elsewhere, the grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the recipient's participation in the cost of the original grant program to the current fair market value of the property, plus any reasonable shipping or interim storage costs incurred.

(C) If the grantee is instructed to otherwise dispose of the property, the grantee shall be reimbursed by A.I.D. for such costs incurred in its disposition.

(e) Expendable Personal Property:

(1) Expendable personal property means all tangible personal property other than nonexpendable property.

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(2) The grantee shall use the expendable personal property for the authorized purpose of the grant program, as long as it is needed.

(3) If there is a residual inventory of such property exceeding \$1,000 in total aggregate fair market value, upon termination or completion of the grant and the property is not needed for any other federally sponsored program, the grantee shall retain the property for use on nonfederally sponsored activities, or sell it, but must in either case, compensate the Federal Government for its share. The amount of compensation shall be computed in the same manner as nonexpendable personal property.

(f) The grantee's property management standards for nonexpendable personal property shall include the following procedural requirements:

(1) Property records shall be maintained accurately and shall include:

(i) A description of the property.

(ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.

(iii) Source of the property, including grant or other agreement number.

(iv) Whether title vests in the grantee or the Federal Government.

(v) Acquisition date and cost.

(vi) Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired.

(vii) Location, use, and condition of the property and the date the information was reported.

(viii) Unit acquisition cost.

(ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where the grantee compensates A.I.D. for its share.

(2) A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The grantee shall in connection with the inventory, verify the existence, current utilization, and continued need for the property. The

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inventory listing shall be retained as documentation in accordance with the standard provision of this grant entitled "Accounting, Audit, and Records."

(3) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented.

(4) Adequate maintenance procedures shall be implemented to keep the property in good condition.

(5) Where the grantee is authorized or required to sell the property, proper sales procedures shall be established which would provide for competition to the extent practicable and result in the highest possible return.

(END OF STANDARD PROVISION)

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COST SHARING (MATCHING) (NOVEMBER 1985)

(This provision is applicable when the recipient is required to cost share or provide a matching share.)

(a) For each year (or funding period) under this grant, the grantee agrees to expend from non-Federal funds an amount at least equal to the percentage of the total expenditures under this grant specified in the schedule of the grant. The schedule of this grant may also contain restrictions on the application of cost sharing (matching) funds. The schedule takes precedence over the terms of this provision.

(b) Eligibility of non-Federal funds applied to satisfy cost sharing (matching) requirements under this grant are set forth below:

(1) Charges incurred by the grantee as project costs. Not all charges require cash outlays by the grantee during the project period; examples are depreciation and use charges for buildings and equipment.

(2) Project costs financed with cash contributed or donated to the grantee by other non-Federal public agencies (may include public international organizations or foreign governments) and institutions, and private organizations and individuals, and

(3) Project costs represented by services and real and personal property, or use thereof, donated by other non-Federal public agencies and institutions, and private organizations and individuals.

(c) All contributions, both cash and in-kind, shall be accepted as part of the grantee's cost sharing (matching) when such contributions meet all of the following criteria:

(1) Are verifiable from the grantee's records;

(2) Are not included as contributions for any other Federally assisted program;

(3) Are necessary and reasonable for proper and efficient accomplishment of project objectives;

(4) Are types of charges that would be allowable under the applicable Federal cost principles;

(5) Are not paid by the Federal Government under another grant or agreement (unless the grant or agreement is authorized by Federal law to be used for cost sharing or matching);

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- (6) Are provided for in the approved budget when required by A.I.D.; and
- (7) Conform to other provisions of this paragraph.

(d) Values for grantee in-kind contributions will be established in accordance with the applicable Federal cost principles.

(e) Specific procedures for the grantee in establishing the value of in-kind contributions from non-Federal third parties are set forth below:

(1) Valuation of volunteer services: Volunteer services may be furnished by professional and technical personnel, consultants, and other skilled and unskilled labor. Volunteer services may be counted as cost sharing or matching if the service is an integral and necessary part of an approved program:

(i) Rates for volunteer services: Rates for volunteers should be consistent with those paid for similar work in the grantee's organization. In those instances in which the required skills are not found in the grantee's organization, rates should be consistent with those paid for similar work in the labor market in which the grantee competes for the kind of services involved.

(ii) Volunteers employed by other organizations: When an employer other than the grantee furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (exclusive of fringe benefits and overhead costs) provided these services are of the same skill for which the employee is normally paid.

(2) Valuation of donated expendable personal property: Donated expendable personal property includes such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to expendable personal property included in the cost share (match) should be reasonable and should not exceed the market value of the property at the time of the donation.

(3) Valuation of donated nonexpendable personal property, buildings, and land or use thereof:

(1) The method used for charging cost sharing or matching for donated non expendable personal property, buildings and land may differ according to the purpose of the grant as follows:

(A) If the purpose of the grant is to assist the recipient in the acquisition of equipment, buildings or land, the total value of the donated property may be claimed as cost sharing or matching.

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(B) If the purpose of the grant is to support activities that require the use of equipment, buildings, or land; depreciation or use charges for equipment and buildings may be made. The full value of equipment or other capital assets and fair rental charges for land may be allowed provided that A.I.D. has approved the charges.

(ii) The value of donated property will be determined in accordance with the usual accounting policies of the grantee with the following qualifications:

(A) Land and buildings: The value of donated land and buildings may not exceed its fair market value, at the time of donation to the grantee as established by an independent appraiser; and certified by a responsible official of the grantee.

(B) Nonexpendable personal property: The value of donated nonexpendable personal property shall not exceed the fair market value of equipment and property of the same age and condition at the time of donation.

(C) Use of space: The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately owned building in the same locality.

(D) Borrowed equipment: The value of borrowed equipment shall not exceed its fair rental value.

(f) The following requirements pertain to the grantee's supporting records for in-kind contributions from non-Federal third parties:

(1) Volunteer services must be documented and, to the extent feasible, supported by the same methods used by the grantee for its employees.

(2) The basis for determining the valuation for personal services, material, equipment, buildings and land must be documented.

(g) Individual expenditures do not have to be shared or matched provided that the total expenditures incurred during the year (or funding period) are shared or matched in accordance with the agreed upon percentage set forth in the schedule of the grant.

(h) If at the end of any year (or funding period) hereunder, the grantee has expended an amount of non-Federal funds less than the agreed upon percentage of total expenditures, the difference may be applied to reduce the amount of A.I.D. funding the following year (or funding period), or, if this grant has expired or been terminated, the difference shall be refunded to A.I.D.

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(i) Failure to meet the cost sharing (matching) requirements set forth in paragraph (a) above shall be considered sufficient reasons for termination of this grant for cause in accordance with paragraph (a) entitled "For Cause" of the standard provision of this grant entitled "Termination and Suspension".

(j) The restrictions on the use of A.I.D. grant funds set forth in the standard provisions of this grant are applicable to expenditures incurred with A.I.D. funds provided under this grant. The grantee will account for the A.I.D. funds in accordance with the standard provision of this grant entitled "Accounting, Audit, and Records".

(k) Notwithstanding paragraph (b) of the standard provision of this grant entitled "Refunds", the parties agree that in the event of any disallowance of expenditures from A.I.D. grant funds provided hereunder, the grantee may substitute expenditures made with funds provided from non-Federal sources provided they are otherwise eligible in accordance with paragraph (b) of this provision.

(END OF STANDARD PROVISION)

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CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY (NOVEMBER 1985)

(This provision is applicable when activities under the grant will take place outside of the United States.)

Upon arrival in the Cooperating Country, and from time to time as appropriate, the grantee's chief of party shall consult with the Mission Director who shall provide, in writing, the procedure the grantee and its employees shall follow in the conversion of United States dollars to local currency. This may include, but is not limited to, the conversion of currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

(END OF STANDARD PROVISION)

EXECUTIVE SUMMARY

As a result of the leadership of Solidarity (Solidarnosc) in overcoming communism, 1989, and now winning presidency by its most visible fighter, Lech Welsa, Poland is poised on the brink of a great rush to embracing the free enterprise system and a market-driven economy. It will be critical that initiatives are more than mere talk. People expect the economy to change overnight, yet they have little idea how to begin. Solidarity leaders must show results soon if they wish to maintain the support of the people. For they are still very poor and cannot afford the goods that are now available. And, unemployment stands at over one million of the 38 million people in Poland.

The challenge is to educate the Polish people to think and behave like a competitive economy. This proposal will combine the strengths of an entrepreneurship program currently underway under the sponsorship of Solidarity and the U. S. Department of Labor, and the University networks of both Solidarity in Poland and The Ohio State University in the United States.

Program Description

We propose to train university faculty at the university-sponsored Management Centers in five cities in Poland: Gdansk, Poznan, Torun, Rzeszow, and Bialystok.

The goal of this program is to encourage teaching of market economics education throughout the economics and business-type schools in the universities and colleges in Poland with emphasis on entrepreneurship, small business management, marketing, finance, and small business consulting. To reach this goal in the long term, we propose the following purposes for the first year and possible renewal in year 2 of the Entrepreneurship Institute project:

Purpose 1. To provide a series of courses at five established university-based Management Centers that will focus on small business startup and operations.

Purpose 2. To enable existing and new university economics professors to be competent in teaching entrepreneurship, small business management, marketing, finance, and small business consulting.

Purpose 3. To provide curriculum for Entrepreneurship Institute courses that are adapted to the Polish environment and available in Polish.

Purpose 4. To offer a variety of spinoffs that can enhance the university professors' competence and make information available to other professors and the general public.

This project focuses on the birth and growth of small business by "educating the educators" in Poland. By learning to use the curriculum and teaching strategies in the Management Centers, faculty can become confident and familiar with these new concepts. It is expected that they will eventually be more willing to change their existing economics courses than they currently are. Currently, they teach very narrow, job specific curriculum in Economics Schools and have been reluctant to make changes in existing programs. In the Management Centers, they have been taught by the British how to teach management to large business managers. No emphasis is intended by the British for development of small businesses, however.

This project is essential to encourage economics faculty acceptance of curriculum in this one academic center so that they can gradually see how to use it in their primary teaching role. University-to-university relationships will be fostered in the train-the-trainer activities, the task force activities, and the annual national conference for university professors country-wide. It will focus on current faculty in the first year and new faculty in the second year.

Support programs will be natural spinoffs of the market economics education program. They will use these trained Polish faculty leaders as well as the Polish people already working on entrepreneurship education in Ohio State's program for the Polish unemployed. They will include development of case studies of successful Polish entrepreneurs, preparation of videos of these entrepreneurs to be used on TV and in the classroom, and seminars for bank employees and government officials. Such activities will reach more of the general population and serve as a catalyst to market reform in Poland.

Program Management

The entrepreneurship program at Ohio State University's Center on Education and Training for Employment (CETE) will manage this project. The project will be conducted with managerial oversight from The Ohio State University Research Foundation (OSURF).

In Poland, the Solidarity Economic Foundation, (the business development area of the union) will provide management of the subgrant funds, activities, and provide contacts with all necessary groups in the country. They have served as our counterpart with the U. S. Department of Labor project with excellent results.

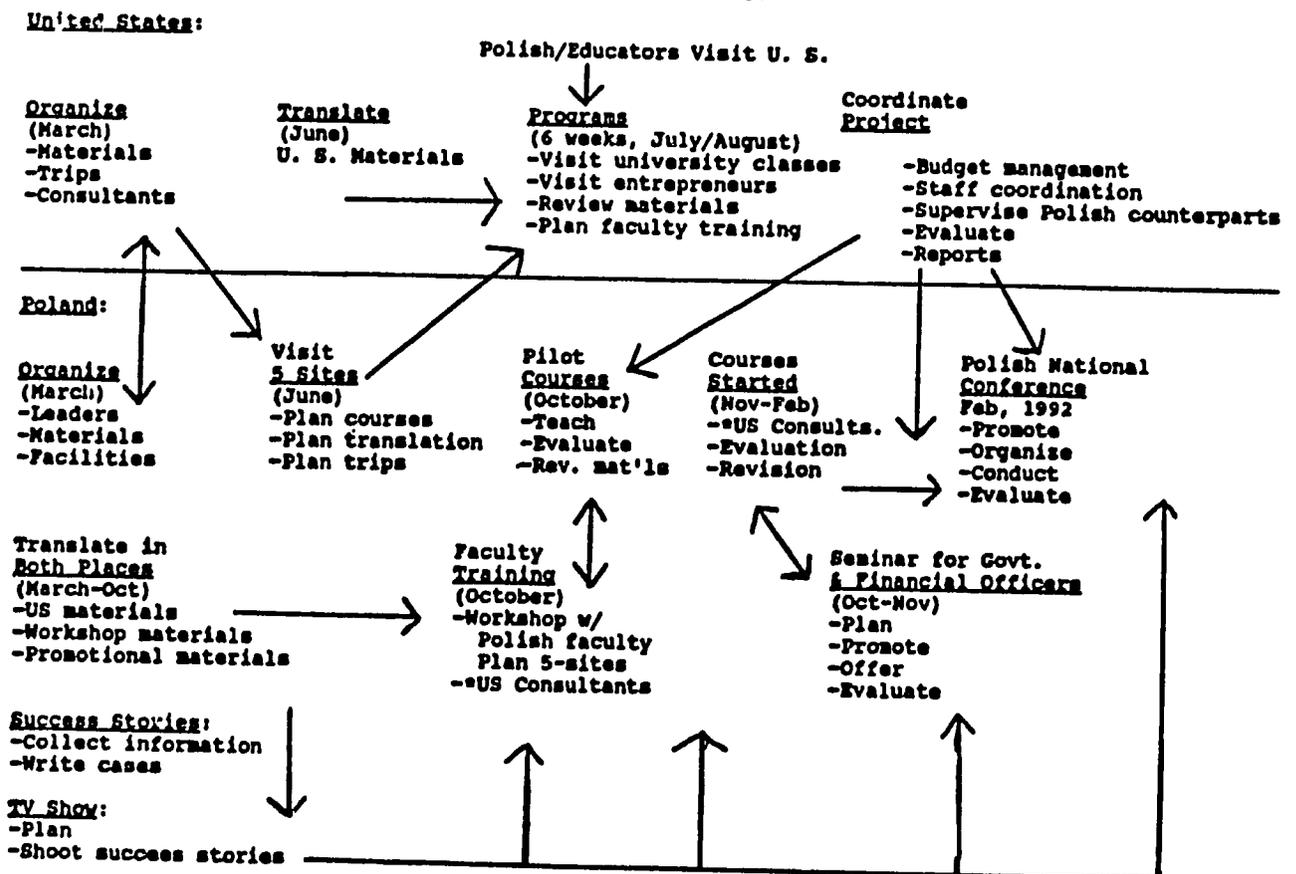
"Solidarnosc" is a member of each of the foundations for the five Management Centers originally funded by the Know-How Project of the British Council (\$1.6 million for three years). Solidarity's education director has agreed to provide necessary contacts and coordination with each Management Center. This project will provide funds to hire two Polish staff members in Solidarity's office. All other administrative costs will be provided as a match by Solidarity.

The only new relationship for our organization is with four of the five Management Centers. We are currently working closely with the University of Gdansk Management Center and have been assured that all five will be happy to have this project.

Funding

The total amount of funding requested for this project for the first year is \$1,499,933. The matching cost sharing is \$182,010 for a total project cost of \$1,681,943. The matching contributions from Poland include top level staff time from Solidarity and the five university-based Management Centers and TV programs available. The matching contribution from the United States include products contributed by Houghton-Mifflin Publishing and the National Business Association (although not actually shown in matching cost figures). GRA tuition will be paid by The Ohio State University as a cost sharing contribution.

Schedule for United States and Poland March, 1991 - February, 1992



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THE ENTREPRENEURSHIP EDUCATION INSTITUTE IN POLAND

Background

The Center on Education and Training for Employment (CETE) is in its 26th year providing national leadership for all types of education for employment. The Entrepreneurship Program was established in 1980 to provide leadership for entrepreneurship education in the United States.

The Center's mission is as follows:

- o the delivery of education for training for work;
- o the quality and outcomes of education and training for employment;
- o the quality and nature of partnerships with education, business, industry, and labor;
- o an opportunity for persons in at-risk situations to succeed in education, training, and work environments;
- o the short- and long-range planning for education and training agencies; and
- o approaches to enhance economic development and job creation.

The Center operates as an independent unit in Ohio State University's College of Education. As such, the director, Ray Ryan, serves as a member of the Dean's executive committee.

Since 1980, the Center on Education and Training for Employment has actively worked with countries worldwide to share expertise and develop cooperating networks. Projects include work with the Philippines, Korea, Great Britain, France, Mexico, Kuwait, Canada, Costa Rica, and Great Britain who has adapted the Center's entrepreneurship curriculum, PACE, for sale there.

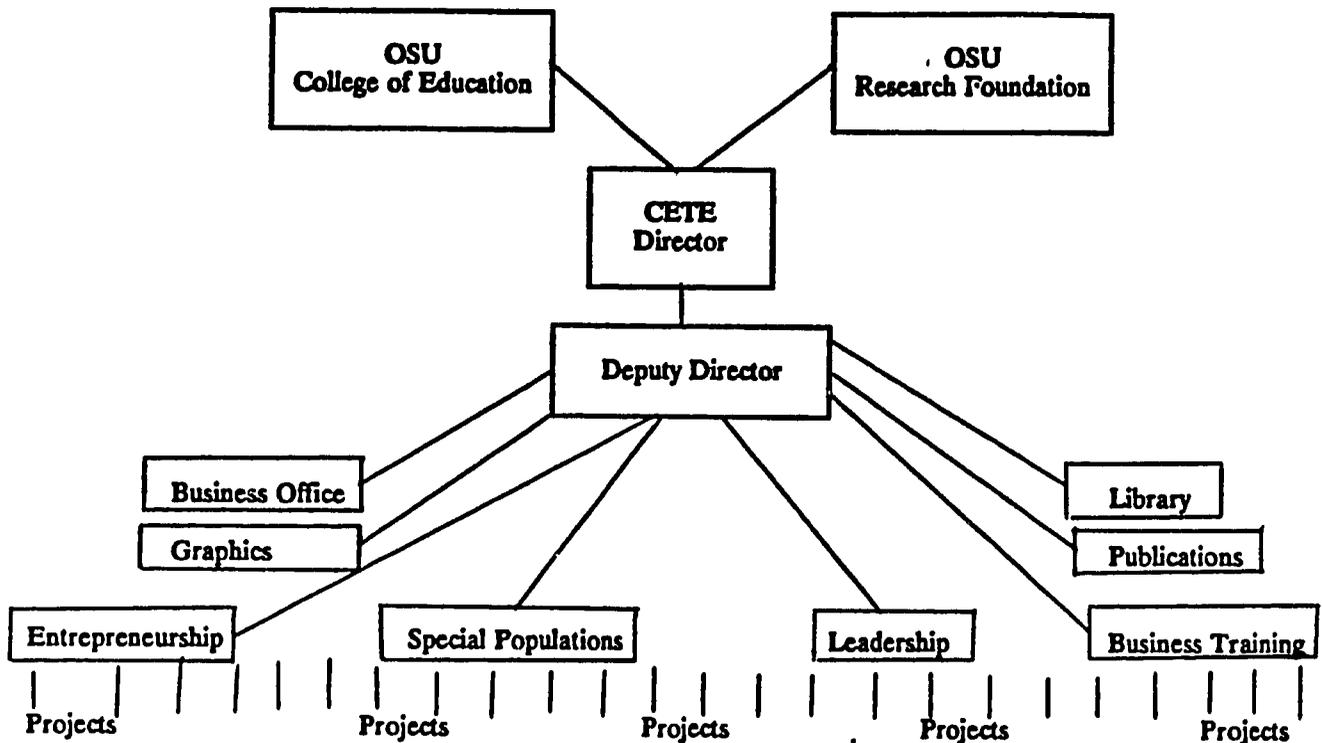
We have recently completed a project to train 12 leaders from the Turkish Ministry of Education for five months (six had special focus on entrepreneurship). We have work with 10 Chileans for six weeks to develop competency-based education program activities. And, we have been named the North American office of the Global Dialog Association, an international non-governmental public organization with headquarters in France. Its purpose is to pool intellectual resources of leading experts worldwide to resolve current problems in the economic, scientific, cultural, and social spheres by means of international computer networks.

Recently, we signed a partnership agreement to exchange scholars from the Soviet Union and have already coordinated several groups of visitors.

The Center is a cost-recovery unit with no staff funding from the University. Annual budgets have fluctuated between \$4 million and \$12 million over the past decade. There are four major development groups in the Center at present. They include entrepreneurship, education for special populations, leadership, and business training. In addition, we house the ERIC Clearinghouse for Career, Adult, and Vocational Education and the Ohio Vocational Curriculum Center. We have expertise in train-the-trainer workshops, computer applications, curriculum design, and operation of national conferences. We coordinate five national consortiums for education and training.

Each project is funded by local, state, federal, or international sponsors and operated by project directors. Budgets and management of projects is overseen by The Ohio State University Research Foundation as well as CETE management and business office. The Center has its own library and connection by computer to all 38 of OSU's libraries and a nationwide network. The Center operates its own graphics and printing functions or uses the OSU print shop for major jobs. It has rooms for meetings and training sessions available to the projects at no charge. The Center has an 800 toll free number for all calls within the United States and access to MCI/Sprint, etc. for reduction of long distance call expenses. It operates a FAX machine to facilitate international communications.

The organizational structure of CETE is as follows:



Organizational Capability

Since early 1980, the Center has established national leadership in entrepreneurship education. Dr. M. Catherine Ashmore has directed the activities of this subcenter. Major activities include the development of a national consortium of state leaders in entrepreneurship education which has grown from ten states in 1984 to over thirty states in 1990. Dr. Ashmore has headed up the development of a number of entrepreneurship curriculum products and materials including:

PACE (Program for Acquiring Competence in Entrepreneurship). This 18 unit series addresses the competencies needed to be an entrepreneur and developed at three levels of education for lifelong learning articulation. It has been purchased by thousands of schools and used as a model for developing entrepreneurship programs in the U.S., and other countries including Poland.

Beyond A Dream. A 30 hour training program to introduce adults to the idea of starting a business. It, too, has been adapted for use in Poland.

Risks & Rewards of Entrepreneurship. A 4-unit career orientation to entrepreneurship that introduces high school students to the concept. It features case studies of 60 entrepreneurs from all over the United States.

A Vision for Everyone. A 30-minute video tape featuring the stories of seven successful entrepreneurs, designed to encourage others to follow their footsteps.

Challenging Classroom Creativity. A 30-minute video tape and teacher inservice guide that shows unique ways teachers have found to teach entrepreneurship.

Leaders in Entrepreneurship. A directory of over 100 organizations and associations that provide leadership in entrepreneurship in the United States.

Entrepreneurship Clearinghouse. An annotated bibliography of hundreds of books and curriculum to teach entrepreneurship at all levels of education.

Dr. Ashmore has established many networks of educators interested in sharing resources and ideas. Most noteworthy for this project is her association with the United States Association for Small Business and Entrepreneurship (USASBE) which is the United States affiliate of the International Council for Small Business. She is currently president of USASBE and served many years as vice president for Entrepreneurship Education. As a result, she brings to the project a number of nationally known consultants from colleges of business and access to many others as the project demands.

Dr. Ashmore has coordinated the National Entrepreneurship Education Forum bringing together educators from all levels of entrepreneurship education programs in the United States. This year, the 9th Annual National Entrepreneurship Education Forum is scheduled in Philadelphia during May, 1991 and will serve as a model for a similar conference planned for this project in Poland.

Special expertise for the project results from a 1990 project to assist Solidarity in Poland in establishing an Entrepreneurship Training Program for the unemployed in Gdansk. This is part of the program developed from the U.S. Public Law 101-179, Support for East European Democracy (SEED) Act of 1989. Funded through the U.S. Department of Labor, the CETE project staff spent nine weeks in Poland on three trips to accomplish the following (see Appendix for details):

- o analyze the environment for entrepreneurship;
- o establish an advisory committee;
- o adapt *PACE* and *Beyond A Dream* products to the Polish situation;
- o coordinate translation in Polish;
- o pilot test the materials at the University of Gdansk Management Center;
- o review the materials with the Gdansk Private Entrepreneurs Club;
- o plan the train-the-trainers workshop;
- o provide technical assistance on development of a business incubator;
- o provide assistance in a country-wide meeting of regional economic development coordinators.

The project is currently in process and includes continuation in 1991 of the train-the-trainer workshops and technical assistance for incubator development. Staff involved in these activities include Dr. Ashmore, Rod Terminello, a consultant with the Ohio Small Business Development Center, and Karen Kramer, graduate research associate at CETE.

Dr. Gary Grossman serves as the director of the Ohio Council on Economic Education. As such, he supervises 36 centers in Ohio that train teachers of economics. He also has extensive experience in international projects including a current project to develop small businesses in Turkey.

Ms. Sandy Pritz coordinates the programs for special populations at the Center. She has extensive background in economics, has taught economics at The Ohio State University, and was assistant director in the original development of the entrepreneurship curriculum, *PACE*.

Rodney Terminello works as a consultant for the State of Ohio SBDC and as a consultant for CETE. He is currently writing training materials for consultants, organized the SBDC in New Mexico, and is providing technical assistance on incubators in Poland. He recently completed the CETE project to train 6 Turkish scholars to teach entrepreneurship in Turkey.

Karen Kramer is working on her Ph. D. at The Ohio State University and serves the project as a Graduate Research Associate. She has been actively involved in the entrepreneurship project in Poland. At CETE she has been responsible for developing successful entrepreneur case studies, collecting information and writing the *Clearinghouse on Entrepreneurship*, coordinating details for the National Entrepreneurship Education Forum, working with the National Entrepreneurship Education Consortium, and conducting Train-the-Trainer workshops.

Piotr Korynski is currently an instructor of economics at the University of Gdansk. He plans to come to Ohio State University to complete his doctorate in 1991. We will hire him as a graduate research associate at OSU, or as an employee of Solidarity while he is in Poland. He has served as translator of *PACE* and *Beyond A Dream* in the Department of Labor project and is currently conducting the pilot test class. He has excellent spoken and written language capacity in both English and Polish, and a good command of the concepts of entrepreneurship.

Very important to the capacity of the project are three College of Business consultants as follows:

Dr. Gene Gomolka from the University of Dayton is professor of management with special emphasis on small business. Dr. Gomolka has served as president of USASBE and is currently an officer in the International Council of Small Business. He is nationally known for his research and leadership in entrepreneurship and is currently writing a text

on teaching methods for entrepreneurship at the college level. Dr. Gomolka has also held many offices in the Academy of Management.

Dr. Gerry Hills from the University of Illinois at Chicago is a nationally known marketing instructor. He has served as officers of USASBE and ICSB as well as being active in the American Marketing Association and the Academy of Management. Dr. Hills is very active in ACE, the Association of Collegiate Entrepreneurs, and does quality research and teaching in marketing for small business. In January 1991, he is hosting ten top-level Polish educators and government administrators as they study business policy in the United States. Randy Rollinson will assist Dr. Hills with his consultancy and work to develop a satellite program to bring U.S. business expertise to Poland.

Dr. Lynn Neeley is an associate professor at the University of Northern Illinois. She serves as the Vice President for Finance in USASBE and teaches accounting for small business to graduate and undergraduate students.

Program Description

The development of five Entrepreneurship Institutes as part of existing university Management Centers is the primary focus of this proposal. Our strong connections with the Economic Foundation of Solidarity led to this proposal as the most rational way to impact on university professors who teach in the economics schools (there are no business schools).

Definition and Scope

Much has been written about the desire in Poland to move to a complete market-driven economy. Privatization of large government-owned businesses passed in Parliament in July, and currently seven of them have offered stock for sale as a test. Small vendors are appearing in place of the blackmarket, and the store shelves are stocked with goods instead of standing empty. But the hard reality still exists for these people (see Appendix):

- o It takes 10 years to get a phone and then the lines are mostly busy.
- o Bank interest rates have risen from 40 percent in July to over 70 percent in December 1990.
- o Inflation was about 1500 percent in 1989 and 300 percent in 1990. No one can afford to buy much.
- o The stores are closed by Saturday noon and all day Sunday. It is hard to shop even when you have money.
- o Rents on buildings, now privately owned, have gone up so much that store owners are out of business.
- o Over one million people are unemployed, mostly as a result of layoffs from large government-subsidized businesses where the subsidies are now gone.
- o The average monthly salary of most people (including university professors) is about \$150-200.
- o There is no attempt to please tourists. The focus is on basic Polish needs.
- o Polish goods have a tradition of poor quality in European markets.
- o Polish workers put in about 6 hours a day on the average. Everyone goes home from offices by 3:30 or 4:00.
- o Store clerks are busier protecting the goods than helping the customer. Customer service is very scarce.
- o Most buildings and stores are very old, out of date, and in need of refurbishing.
- o Business supplies and equipment are very scarce (i.e. paperclips, pads of paper, envelopes, tape, etc.).

This description could continue on and on. The point is that there are many business opportunities in all these problems and people are asking for help in determining how to create businesses to solve these current situations.

Since the university-based Management Centers were founded by the KNOW-HOW Project of the British Council, Solidarity's Economic Foundation has been a partner in their development in the five cities. Other partners include the university in each location, and in some sites it also includes the city council, chamber of commerce, and private businesses. The major purpose of the British project is to teach management to leaders in the large government-owned businesses that are trying to privatize.

The Entrepreneurship Institutes in each Management Center are visualized as an important new concept to reach an additional target audience...those who own a private small business or seek to start one. We see this as a higher level of education than the currently started classes for the unemployed. But, they each add to the capacity of the universities to teach market economics education in Poland.

To make an impact on the faculty in the universities is a difficult problem in Poland. There is much autonomy in what each career area chooses to teach and very little desire on the part of existing faculty to change anything. Each faculty person teaches about 12 hours a week to students in a specialty occupational field. The students take the courses in the school and career field they are assigned as a result of the university entrance test. They have no choices. And, they do not have a common curriculum where students of various career areas study together.

Some of the specializations in the University of Gdansk Department of Transport Economics are as follows (note that there are no schools of business in Poland. The closest thing is the economics schools described here):

- o Sea Transportation
- o Land Transportation
- o Social Economics
- o International Trade

The Department of Production Economics offers the following:

- o Production Economics
- o Services Economics
- o Management
- o Finance and Banking

Economics faculty all teach common courses such as economics, mathematics, statistics, econometrics, history of economic thought, accounting, financial analysis, general finances, etc. to their career area students. And, they also teach specialized technology for the career area.

The only career area that currently teaches any marketing concepts is International Trade. And, it is important to note that Dr. Rydel of the International Trade Area, also is the director of the University of Gdansk Management Center where we are planning to work.

Thus, our strategy is to provide extra work (and income) to willing economics faculty to learn how to teach entrepreneurship, small business management, marketing, finance, and consulting in a different setting for a different audience of students. In the process, they will develop competency and familiarity with the materials. They will have opportunities to be leaders in a separate university environment not directly affecting their classes, and to share ideas university-to-university during the U.S. trip, the train-the-trainer workshops, and the national conferences (one per year).

It is our expectations that this familiarity and experience, motivated by more pay and a different responsibility, will lead to acceptance of market economics education in the current career areas in the Department of Economics. We will stimulate these ideas by showing them classes in business schools in the United States and curriculum to be used from these classes. And, we will encourage discussion of such changes on the program of the national conference.

University professors will also extend their use of the knowledge by providing short seminars for bankers and government officials using the entrepreneurship competency they have developed. Such seminars will focus on the role of these organizations to help small businesses succeed.

University professors will be involved in research on Polish entrepreneurs whose stories can be developed into case studies to use in classes. These same case studies can be made into video tapes for use in more rural classes and to promote entrepreneurship on TV shows. As a result, the faculty involved will be visible in the community and part of a group of peers experiencing the same activities.

Solidarity, as a partner in each Management Center, is anxious to develop tangible results that can continue long after American consultants are gone. They particularly feel the pressure to provide change and successful models for implementation in the whole country. And, they have the networks to make it happen if given the necessary tools and technical assistance.

Solidarity's Economic Foundation is already closely associated with the Polish Ministries of Industry, Education and Labor. And of course, will be even more likely to be part of the new administration of President Lech Waleasa. We feel this is the strongest counterpart to be found in this country at this time.

Program Goal, Purpose, Inputs and Outputs

The majority of the work on this program will take place in Poland to encourage the most efficient and effective use of resources.

The goal of this program is to encourage teaching of market economics education throughout the economics schools in the universities and colleges in Poland with emphasis on entrepreneurship, small business management, small business marketing, finance, and small business consulting.

To reach this goal in the long term, we propose the following purposes for the first year and possible renewal in Year 2 of the Entrepreneurship Education Institute project:

Purpose 1. To provide a series of courses at five established university-based Management Centers that will focus on small business startup and operations.

Purpose 2. To enable existing and new university economics professors to be competent in teaching entrepreneurship, small business management, marketing, finance, and small business consulting.

Purpose 3. To provide curriculum for Entrepreneurship Institute courses that are adapted to the Polish environment and available in Polish.

Purpose 4. To offer a variety of spinoffs that can enhance the university professors' competence and make information available to other professors and the general public.

Program inputs will be as follows:

1. Available curriculum materials in Poland and U.S. that address entrepreneurship, management, marketing, finance and consulting for small business to be translated and adapted.
2. Technical assistance from recognized experts from U.S. business schools and college of education.
3. British Council-funded Management Centers in five universities that need additional resources for small business.
4. Relationships already established with the Solidarity Economic Foundation, University of Gdansk, and related broad networks.
5. American staff experienced in Polish culture, business practices, and training programs in entrepreneurship for a less sophisticated audience.
6. Entrepreneurship materials already translated into Polish that can serve as a base.
7. American contacts in business schools and private sector to provide broad experience for Polish faculty visitors.
8. Technical assistance with computer programs for small business financial decisions and software to be translated for Poland.
9. Contacts with Polish entrepreneurs already established to develop success stories.
10. Regular TV shows produced by Solidarity available for entrepreneur success stories.
11. Requests from the Management Center in Gdansk for equipment, books, magazines, etc.
12. Experience with U.S. national conferences that can be adapted to the Polish National Entrepreneurship Education Forum.
13. Access to IBM mainframe computer that is to be installed at the University of Warsaw.
14. Solidarity connections to Poland's government agencies (ministries) that can support the program in the future.
15. Experience with Polish advisory committee for the Department of Labor project that will help in forming a new task force on entrepreneurship education.
16. Use of Houghton Mifflin's economics text that is already 50 percent translated for publication by the Solidarity Economic Foundation.

Project outputs will be as follows:

1. Curriculum in Polish for five courses at five management centers covering entrepreneurship, management, marketing, finance and consulting for small businesses.
2. Courses established in five university-based Management Centers with a total of 500-750 hours taught in Year I.
3. Train-the-trainer workshop completed for 50 faculty members (10 per Management Center).
4. Ten faculty members trained in the United States (2 per Management Center).
5. A total of 250 students trained in Year I and as many as 1000 students if the project is extended to Year II.
6. Ten seminars provided for government or banking officials (2 per Management Center).
7. A book of case studies published featuring the stories of 8-10 Polish entrepreneurs.
8. Video tapes produced featuring the stories of 8-10 Polish entrepreneurs.
9. Five or more TV programs featuring the Polish entrepreneurs and courses offered.
10. Task force established to plan continuation of projects.
11. University-to-university contacts made in Poland and between the U.S. and Poland.
12. A national conference on entrepreneurship and market economics with the model to be continued in the following years.
13. Commitment to continuation of the project obtained from new and participating universities.

The inputs of this project will provide sufficient resources, experiences and technical assistance for the Polish university faculty to learn how to teach these subject areas. The majority of the project will take place in Poland using many previously made contacts by Ohio State University staff. It will benefit from the expertise and experiences of U.S. college of business leaders in their respective fields. And, it will distribute market economic concepts to potential and existing small business owners, bankers, and government officials who need to know how to help develop this market-driven economy with the creation of new businesses.

The most important purpose, i.e., to make the university professors competent in teaching these concepts, is the central focus of all activity. The supporting purposes, (to establish courses, to provide Polish materials, and to interact

with others in the Polish community) all will be done by the university professors with help from their American counterparts. All of these experiences will help the project meet its goal of encouraging Polish economic faculty to teach market economics in their universities and colleges because they have grown comfortable with the new competencies and how to teach them. We believe the goal of enabling universities to teach market economics will be more easily accomplished in this manner than if some "important" American experts try to tell Polish university professors directly how to change their existing classes and curriculum.

Program Goal

Teaching market economics education in the Polish universities and colleges is a long term goal that cannot be expected to be accomplished in one year. The goal of this project is to encourage teaching of market economics education throughout the economics and business-type schools in the universities and colleges in Poland with emphasis on entrepreneurship, small business management, marketing, finance and consulting for small business. This project will provide a catalyst for encouraging faculty in approximately 100 colleges and universities in Poland to understand the concepts to be taught and have materials available in Polish to enable them to choose to teach such concepts in their classes.

Program Purposes

Four major purposes will be accomplished as a result of the activities in this project.

1. To provide a series of courses at five established university-based Management Centers that will focus on small business startup and operations.

These courses will be an on-going part of these Management Centers once the program has been established on a cost-recovery basis. This probability is further enhanced by their linkage with the three-year funded project from the British Council which underwrites the costs of these Management Centers as they are starting out.

2. To enable existing and new university economics professors to be competent in teaching entrepreneurship, small business management, marketing, finance, and small business consulting.

Professors asked to teach will be paid well for their work compared to the current \$150/month salary that currently exists, and in addition to it. Competency will come from their experiences with American university consultants, interaction with each other, research on Polish entrepreneurs, preparing courses for students, and seminars for bank and government officials. The annual conference on entrepreneurship education will provide further university-to-university interaction and professional development.

3. To provide curriculum for Entrepreneurship Institute courses that are adapted to the Polish environment and available in Polish.

It is not merely a matter of translating American texts to be used in these courses at the Management Center. As we have learned in the translation of PACE, there are not words in Polish for many American business terms and concepts. The laws and the accounting system are not the same. And, the methods of doing business are quite different. An inexperienced person would need to learn these things before choosing the American texts and curriculum that would be most appropriate.

Fortunately, there are many Americans already at work in adapting market economics texts to the Polish situation. We will have access to all these sources (including our own and the economics text from Houghton Mifflin) as we decide what curriculum to use in the program.

Computers will be available on a limited basis through this project and the British Council's KNOW HOW Project. An important part of the curriculum will be computer programs for cash flow planning and small business accounting that the project staff will have translated for student use. (Provided by the National Business Association - see Appendix).

One of the most unique parts of the course materials will be the development of Polish entrepreneur case studies. These will be published for use in print in the classes. And, they will be video taped for use in the classes and on public TV to promote the spread of entrepreneurship in Poland.

4. To offer a variety of spin offs that can enhance the university professors' competence and make information available to other professors and the general public.

Faculty of the management centers will be a major part of the program of the national conference, explaining what they teach and how the Entrepreneurship Institute works. Course materials will be shared and references identified. This conference will be planned as the first of a series of annual FORUMs for university professors to meet and share ideas.

Faculty will be encouraged to join the International Council for Small Business, a world organization of leaders in entrepreneurship and small business. There is a special membership rate open to developing Eastern European countries that will make annual membership very economical. And, it is anticipated that some of these faculty may even attend the ICSB Conference in Vienna in June, 1991.

The faculty will take leadership in developing seminars for local bankers involved in working with small business. And, they will also plan seminars to update government officials on the concepts of market economics and assistance to emerging small businesses. As a result, they will develop important networks to provide assistance to their students, and speakers for their classes.

Program Outputs Summary

In summary, the project will result in the professional development of 50 university faculty in the competencies of entrepreneurship, small business management, marketing, finance, and small business consulting in five established university-based Management Centers in Poland.

It is planned that faculty will teach in teams of two with a total of 50 students choosing to take one or more of the five courses offered at each site. Each course will be scheduled for 20-30 hours, thus courses will be offered for a total of 100-150 hours per site, or an approximate total of 500-750 hours of class time during the first quarter of the program.

Curriculum will include major text material, resource texts, software, and American magazines. It will also include ten case studies in Year I.

Two leading faculty members will be chosen from each site to visit business management classes in the United States and meet with the university-based advisors from the U.S. A six-week tour and lecture series will be planned. These ten leaders will work with American staff to choose the curriculum to be translated and plan the train-the-trainer workshops they will conduct in Poland.

The train-the-trainer workshop will be held in Gdansk to enable the other 40 university faculty members to participate in the pilot program and learn how to manage the curriculum. It is anticipated that they will spend 2-3 weeks in this process.

Products include the curriculum materials, a book of case studies and accompanying video tapes, and materials for seminars for government and bank officials.

Existing access to at least five TV programs will be used to share information about the Entrepreneurship Institute at five Management Centers and to share the success stories from Polish entrepreneurs.

A national conference will be held with an estimated participation of 200 faculty members for two days at a central point (probably Warsaw).

A task force on market economics education will be formed with representatives from each Management Center Foundation, faculty, Solidarity's Economic Foundation, and appropriate government officials. The task force will meet at least three times and will be featured at the national conference.

Three U.S. business school consultants will provide technical assistance to Polish faculty on four trips to Poland. First will be in June, 1991 to meet with the five centers and plan the curriculum approach. Second will be in October to assist with the pilot test and train faculty from five sites. Third will be in November to assist the Management Center openings. The fourth will be in February, 1992 to participate in the national conference. Each will host the 10 visiting faculty leaders in the U.S. for a week at their university during July and August.

As a result, the 50 university faculty involved in this program directly will have an intensive experience in learning market economics education in the most appropriate ways to help Poland grow a new economy.

Program Inputs Summary

In summary, the project will use diverse existing resources to accomplish the development of this new program in Poland. Excellent teaching materials are already available in the U.S. which can be translated and adapted. There are even products such as *PACE* and *Beyond A Dream* and Houghton Mifflin's economic textbook that have already been adapted and translated.

The existence and support of the Management Centers by the British Council is a special benefit to the program to add an Entrepreneurship Institute. Our networks in Solidarity will enable us to pull all these groups together without problem.

We will use a combination of American staff who have experience in Polish entrepreneurial development (through the project being funded by the U.S. Department of Labor) and experts from business schools in the U.S. who have agreed to be consultants. In addition, we have a large national network through USASBE to find other U.S. business school experts as needed. (Dr. Ashmore is presently president of USASBE.) We will hire two Polish staff members for the project to serve as translators, interpreters, and project facilitators.

We will use contacts already established with the Private Entrepreneurs Club and Economic Societies throughout Poland to develop success stories and case studies for class use. TV production of these stories will send the message about the class more broadly throughout Poland. Existing Solidarity connections with TV programs will enable us to air these stories.

Computer programs to help learn how to plan small businesses will be provided by the National Business Association for translation and adaptation in Poland. These programs were developed for the U.S. Small Business Administration and available from NBA who is a member of our U.S. entrepreneurship consortium. A computer and appropriate software will be provided for each Management Center so that students can work on their plans individually and learn how to use a computer for their business operation. Other resources will be provided to each site as already requested including classroom furniture, office supplies, books for the library and U.S. business magazine subscriptions.

Experience with our current project advisory committee will help us form a task force on market economics education to support the development of the five Entrepreneurship Institutes. Solidarity will help us engage the right people from government ministries, education, and the community to provide national leadership for continued support for this program. At present, they are suspicious of committees because they had too many unproductive meetings under communism. Results are what counts in Poland today.

Experience in running nine annual National Entrepreneurship Education Consortium FORUMs in the United States will help our staff organize a similar conference in Poland as an annual event and capstone of the first year of this project. Staff at Solidarity will take responsibility for planning the conference in Poland with American staff advice. The new IBM mainframe to be established at the University of Warsaw will be one of the key features of this national conference. The courses at the five university Management Centers will be another important focus. A possible satellite program is being explored by University of Illinois consultants. Key speakers will be from the project task force, the Ministry of Education, and possibly even the new president, Lech Walesa, who as president of Solidarity has always promoted the importance of "Przedsiębiorcow," developing a new small business economy in Poland.

These inputs will give special strength to the potential success of this program and eventual acceptance of market economics education concepts among university faculty.

Location

In discussion of the proposal ideas with Solidarity Economic Foundation leaders, it was highly recommended that we introduce Entrepreneurship Institutes in the five Management Centers connected with Polish universities. The reasons for this suggestion are primarily based on their experience with getting support previously with other universities. The problem is that existing university faculty are generally in control of what they teach and very closed to outside suggestions from "experts." Solidarity refers to these university professors as "yesterday's man."

In their work with picking locations for the British Council's KNOW HOW Project, Solidarity selected these five sites as the most open to teach new concepts. But, they also founded a separate university department, the Management Center, to offer training in these new ideas for managing existing large businesses. They did not try to change what is currently taught in the economics departments. We believe this is a very wise approach.

Solidarity staff and Management Center staff are very eager to add the entrepreneurship/small business focus to their center in addition to the training for large government-owned business managers that they currently offer. (See Appendix for letters and details.)

Criteria for selection of these five sites includes:

- o availability of a building with classroom and office space dedicated to this program.**
- o availability of full time staff (director and secretary) to facilitate program operations.**
- o direct connections with university operations and sanctioned by the university.**
- o availability of space for business consulting and individual instruction.**
- o agreement with the British Council to share space and resources as needed between the two projects.**
- o proximity to university faculty and related services.**

These locations represent a diverse spread of universities in Poland as shown on the map of Poland (see Appendix). They are connected by good roads and trains to facilitate movement of U.S. staff and consultants between sites. Some even offer sleeping rooms for guests in the Center itself. These will be available to project staff.

CETE Plan of Action

The program to develop Entrepreneurship Education Institutes in five university-based Management Centers in Poland will be conducted by experienced staff from Ohio State University, business school consultants from other U.S. universities, staff housed in the Solidarity Economic Foundation in Gdansk, and the five Management Center's own staff.

Activities

There are a number of activities in this project that will enable the program to "educate the educators" in five universities in Poland, encourage university-to-university relationships and contribute substantially to a sustained higher quality market economics education in Poland.

Specific activities and targeted dates include:

1. Plan the project with cooperation of Solidarity, five Management Centers and Task Force, in Poland, March, 1991.
2. Plan the courses/materials with Polish counterparts and U.S. business school consultants in Poland, June 1991.
3. Host ten Polish faculty, two from each of the Management Centers, in the U.S. for six weeks and plan train-the-trainer course, July-August, 1991.
4. Pilot test the courses at the University of Gdansk Management Center, October, 1991.
5. Concurrent with pilot test, conduct the Train-the-Trainer workshop for 40 faculty members in Gdansk, October 1991.
6. Grand opening of the Entrepreneurship Institutes providing on-going courses at five Management Centers to teach entrepreneurship, small business management, marketing, finance, and consulting, November, 1991.
7. Seminars on business plans offered for bankers and government officials in five towns, November-December, 1991.
8. National Conference on Entrepreneurship Education in Poland for 200 university professors to feature the work of the five Entrepreneurship Institutes and develop interest in other university faculty.

Concurrent with these specific activities we will be adapting and translating curriculum, developing Polish entrepreneur case studies, working with Polish media and developing video on the program, and working with the Entrepreneurship Education Task Force on long-term plans.

Solidarity has already agreed to be our major subgrantee and counterpart in Poland. The University of Gdansk Management Center has agreed to be the pilot site, and we have been assured by Solidarity that all four other Management Centers will be happy to do this project. (Solidarity is a member of the Foundation at each of the five sites.) Additional top level approvals will be gained to support the program after the grant has been awarded. The Task Force will include all necessary top level administrators to gain sustained support long-term for the program. We will obtain these agreements on our first visit in March, 1991.

Organization

CETE staff involved with this project work in the Entrepreneurship division of the CETE and the business office. University oversight and administration are provided by The Ohio State University Research Foundation.

Personnel assigned to this project are as follows:

	FTE	% in U.S.	% in Poland
o Dr. Cathy Ashmore	.70	50%	50%
o Dr. Gary Grossman	.50	20%	80%
o Ms. Sandra Pritz	.50	60%	40%
o Mr. Michael Wonacott	.50	75%	25%
o Ms. Karen Kramer	.75	20%	80%
o Mr. Piotr Korynski	.75	80%	20%
o Clerical Staff	1.00	100%	---
o Clerical Staff	.50	100%	---
o Business Office	.25	100%	---
o Clerical Staff	.50	100%	---

Consultants asked to assist with this program include the following:

o Dr. Gene Gomulka	.20	10%	90%
o Dr. Gerry Hills	.20	10%	90%
o Dr. Lynn Neely	.20	10%	90%
o Mr. Rodney Terminello	.50	40%	60%

Other backstop possibilities include contacts from schools of business in the U.S. who could be asked to fill in and residents of Columbus who will be hired to do translation as needed. There are Polish students at Ohio State University that could be hired on a part-time basis to help also.

Beneficiaries

The Solidarity Economic Foundation will be one of the beneficiaries of this project. They represent an important part of the Solidarity Union leadership in Poland. They manage a network of regional economic development groups in each "województwo" (44 regions in Poland). Each U.S. or British sponsored project provides them with greater understanding of a market economy and more tools to make it happen in their country.

The staff at CETE will also benefit from this project by involving more professionals in the learning opportunity in Poland. It is important to recognize what already exists in Poland and to show respect for their ideas. And it is fascinating to watch the changes that are taking place daily. As a result of this project the CETE staff will develop greater capacity to provide assistance to other groups in Poland and other Eastern European countries.

The primary benefit will be to 50 Polish Economic School faculty members who will receive materials, training and technical advice on how to prepare people for an entrepreneurial economy. A secondary group will be their colleagues who gain information at the national conference or by word-of-mouth from their peers. The university-to-university interaction will encourage them to take leadership and ownership of the ideas of market economic education.

Other beneficiaries will include the 250+ students in the first year courses in five cities. They will generally be young, out-of-school adults, who want to start a business or already have one started and need help. They may be university students who come to the classes because their university professors suggest it. We will not attempt to tightly sort out the classes in the first year because we need to learn more about what to teach this group and why.

Other beneficiaries include bankers who have money to loan small businesses and government officials who need to deal with policies to help small businesses. They have no demographic specialties except that they will be in the five cities where the Management Centers are located.

And finally, the entrepreneurs in Poland will have a chance to be featured in public media, providing the public with awareness of the entrepreneurial possibilities.

Perhaps the International Council for Small Business, with the European affiliate in Vienna, will be a beneficiary of potential new members from this newly trained university cadre in Poland.

Implementation Plan

The U.S.-based staff will plan, organize and supervise the activities of the following 12 major tasks of the program and will take responsibility for assisting the Polish counterparts in their responsibilities. The scope of work is as follows (see baseline management plan on pp. 24-26:

- 1.0 Coordinate program - CETE staff will organize the project with the Solidarity Economic Foundation. In a trip already planned for March (DOL Project) CETE staff will finalize details on cooperation with the five Management Centers. CETE staff will work with Solidarity to set up management and communication systems and to hire two staff persons in Poland to facilitate operations, translation, and interpretation for U.S. visitors.

Throughout the project CETE staff will travel to Poland for all major activities and assist in planning and problem solving. CETE staff will arrange all U.S. travel visas and itinerary for U.S. staff and consultants. They will purchase necessary teaching materials, equipment, supplies, and resources and arrange for transportation to Poland.

CETE business office will supervise budgets and arrange necessary financial transfers and accounting reports. Reports on the project will be submitted quarterly to the sponsor including a final summary report at the end of Year I. Copies of materials developed for the program will be submitted to the sponsor.

- 2.0 Identify available materials - CETE project staff will collect possible materials to use in the Entrepreneurship Institute Program and related seminars from existing resources in the U.S. and also in Poland. With the help of U.S. consultants and ten leaders from Polish faculty the best materials for the courses will be selected and organized for translation, if not available already in Polish.**

In July-August when the Polish faculty visits the U.S., the courses for the Management Centers will be designed using materials being translated. The CETE staff will plan for all necessary adaptation and translation of materials to be ready for use in the pilot course in October. In most cases the translation will be done in Poland and supervised by the Solidarity sub-grantee.

- 3.0 Plan Entrepreneurship Institute - CETE staff will arrange for U.S. Business School consultants to visit the five Management Center sites in June, 1990. At this time we will plan the Center courses and extra seminars for local bankers and government officials.**

We will identify any needed additional translation and identify local English-speaking residents who can help with interpretation. It will be useful to have some of the faculty fluent in English as we have already found at the University of Gdansk. If not, we will make arrangements to facilitate communications with necessary added part-time staff. As a part of this task CETE staff will identify relationships at each Management Center which would enhance the long-term acceptance of the program.

- 4.0 Establish Task Force on Market Economics Education - CETE staff will work with Solidarity to identify the most appropriate members to serve on this national leadership committee. We will conduct meetings of this task force quarterly and work with them to identify long-term plans for the introduction of market economics education in the country. This will include assisting them in finding long-term support for the Entrepreneurship Institute and other related activities in this program. For example, we would encourage the continuation of the national conference each year and the research on Polish entrepreneurs.**

- 5.0 Polish Scholars Visit U.S. Schools - To enhance the understanding of the American small business/entrepreneurial economy, we would work with our Polish counterparts to select two faculty representatives from each Management Center to visit the United States for six weeks during the Polish holiday season in July-August. CETE staff would arrange their itinerary in visiting the Business Schools of consultants and other U.S. leaders in entrepreneurship and small business education. CETE staff will arrange for housing, travel, and appropriate per diem expenses for the visitors while in the United States. They will also arrange for necessary travel expenses for staff and consultants to assist the Polish scholars.**

CETE staff will help these ten Polish leaders review the materials selected for the courses, assist with translation and adaptation questions, and plan exact details for the faculty training program scheduled for Poland in October

CETE staff will arrange for Polish scholars to study U.S. business techniques and interview U.S. entrepreneurs. They will discuss how to develop appropriate success stories and case studies so they can apply this research in Poland.

- 6.0 Develop Case Studies of Polish Entrepreneurs - Throughout the project faculty members will be asked to identify local entrepreneurs and collect the stories of their formation and operation. These stories will be written as success stories to promote the concept of opportunity in Poland. They will be available in both English and Polish to facilitate understanding of U.S. consultants.**

Case studies of these entrepreneurs will also be developed for classroom use identifying business choices that could be discussed in class. The finished cases and success stories will be tested during the first year and revised for publication and distribution to other university faculty.

CETE staff will supervise this activity and assist Solidarity staff in completing the materials for production.

- 7.0 Arrange Radio/TV Shows - CETE staff will advise Solidarity staff on approaches to be used to promote the programs on Radio/TV shows. Solidarity already has TV program contacts and time available. Although CETE staff will be present as advisors in shooting TV coverage of entrepreneurs for videotapes, Solidarity staff will assume responsibility for this task.**

- 8.0 **Conduct Pilot Program - The Management Center at the University of Gdansk will serve as the pilot site for the Entrepreneurship Institute program. The ten faculty members trained in the United States will give these courses to local adults who need assistance with their small businesses. There will be no charge to participants for this pilot course.**

U.S. consultants will assist in teaching these courses. All parties will evaluate their success and revise as needed. CETE will supervise these courses and facilitate necessary changes and problem solving.

- 9.0 **Train Management Center's Faculty - CETE, Solidarity, and the ten leaders from the five Management Centers (2 each) will organize a train-the-trainer workshop to prepare eight other faculty from each of the five Management Centers to be able to run the program long-term.**

This workshop will be conducted over a 4-week period with focus on each course separately as it is offered in the pilot program. Polish university faculty will be paid for their time to participate in the training as well as their time to teach the courses and seminars. CETE staff will provide oversight and problem solving for this train-the-trainer workshop. U.S. school of business consultants and Polish faculty leaders will run the workshop. Solidarity will facilitate operating details.

- 10.0 **Offer Entrepreneurship Institute Program - Solidarity will coordinate details of the five Management Center programs with assistance from CETE staff as needed. This will include planning the schedules, arranging for equipment/materials, and solving time problems for University faculty. It is estimated that in the first year the ten leaders will need to be paid to spend full time on this project starting in July and the other 40 will need extra reimbursement above the normal ongoing pay to allow them to participate in all training and planning programs. This is in the budget for the Management Centers.**

Solidarity will manage the budgets for faculty pay, Center administration, and program supplies/materials for each Management Center and report on expenditures to CETE for audit purposes.

CETE staff will be responsible to evaluate courses, materials, and program operations and coordinate necessary revision.

- 11.0 **Offer Business Plan Seminars - The faculty at these five Management Centers will learn how to advise business owners on business plans and operating problems. This knowledge can then be translated into short seminars (6 hours each) on the necessary components of a business plan and ways to evaluate their potential. They will be given in November-December. These seminars would be especially useful for bank officers and government officials who are expected to help the market-driven economy succeed.**

CETE will provide oversight and problem solving for these seminars. Solidarity will manage the budgets and coordinate details for the Management Centers who will provide the seminars. These seminars will cost participants enough to provide initial income to the Management Centers to continue the Entrepreneurship Institute program. A U.S. consultant will be available to assist these programs during their first program trial. CETE staff will evaluate these programs and make recommendations.

- 12.0 **Conduct Polish National Conference - A national conference for Polish university faculty will be modeled after the U.S. National Entrepreneurship Education Forum, now in its ninth year. CETE staff will advise Solidarity and provide oversight in planning and running this conference in February, 1992. This will include identifying a site that will adequately hold 200 participants (probably in Warsaw), planning the program, promoting the conference, arranging for speakers, registering participants, obtaining PR, and coordinating site details.**

A modest registration fee will be charged that can help to underwrite organization costs for the second year conference. Solidarity will manage the budget and report expenses to CETE for audit purposes. This project will cover the costs of participants' meals, hotel, materials, and speakers costs in the first year. After that, experience will enable Solidarity to estimate costs of continuing this activity and charge participants to cover these costs. In the first year our purpose is primarily to attract faculty members.

Each of these tasks are detailed with timelines and bench marks on the baseline management plan (see page 24-26).

Sustainability

The proposed project and its related activities have the particularly strong advantage of fitting in perfectly with the mission of our counterpart, Solidarity, and the five Management Centers. This proposal is planned to be established in a one-year time frame, but we recognize that it could be reinforced and made stronger with an additional year. If the second year funding is approved, we could train 50 more faculty, including young new graduates once the older faculty has been established. And we could ensure that our counterparts have sufficient expertise in conducting the courses, working with entrepreneurs, and running a national conference.

Institutional connections are already strongly established. In addition to working with already established organizations, the Task Force on Entrepreneurship Education in Poland will be challenged to find in-country support for the on-going development of market economics education. The high-level nature of this task force will be an important asset. They will meet four times per year and be encouraged to feel ownership for the program's long term goal and success.

The program is designed to be a Polish program with ownership vested in Solidarity and the Management Centers. The 10 leaders from the Management Centers and the additional 40 instructors will be in control of what is taught, when, and to whom. As the program becomes successful, it can be replicated in other towns where Solidarity is now developing additional university-based Management Centers. The American role is to provide them with high quality materials, adapted and translated, and to provide American expertise and advice. Our responsibility will be to ensure that Polish university faculty become competent in market economic education.

Financial support is planned on a cost-recovery basis in Poland after initial startup costs have been absorbed. The seminars for bankers and government officials should be especially able to provide on-going demand and adequate income to hire professors and needed resources. The courses for business owners will need to be economically priced because they are all struggling so hard now just to exist.

The national conference could be a money-making activity to attract educators from all parts of Poland. In the first year or two, it will be more important to build demand than make a profit. After that, it should be financially successful.

Materials developed for the project could be produced for sale to other universities as an additional source of income and spread of information. At present, there is virtually nothing available in bookstores about private business concepts and no Polish entrepreneurship textbooks. Ours would be among the very first and therefore highly marketable themselves.

We estimate that cost recovery efforts could be in place as follows:

- o Management Center Courses - Spring, 1992
- o Polish Curriculum Materials Available for Sale - Spring, 1992
- o Seminars for Bankers/Government Officials - March, 1992
- o Polish Case Studies Available for Sale - Spring, 1992
- o National Entrepreneurship Conference - February, 1993

Other current costs that might not be considered part of the on-going responsibility of Solidarity and faculty of the Management Centers, and might therefore need special extra funding in Year II include:

- o Polish faculty visits to the U.S. (might apply for German Marshall Funds for this)
- o More videos and case studies on Polish entrepreneurship
- o Additions to their libraries of books and magazines needed for the classes
- o Regular meetings of the national task force
- o Upkeep on classrooms and equipment
- o TV coverage
- o Additional faculty
- o Satellite seminars from U.S. business schools

The most critical part of this sustainability will be the success of the program and Solidarity's resulting commitment for responsibility to see that the program continues.

**Solidarnosc Plan of Action
(Subgrantee to The Ohio State University)**

The program to develop Entrepreneurship Education Institutes in five university-based Management Centers in Poland will be coordinated by the Economic Foundation of Solidarity (Solidarnosc) as subgrantee to the project to be conducted by the Center on Education and Training for Employment at The Ohio State University.

Activities

Solidarity will hire two full-time staff members to work with OSU staff and the five Management Centers. Budget management and supervision will be provided by the Education Director of the Foundation at no charge to the project.

Solidarity will obtain all approvals for the program to be implemented in the five Management Centers and identify the appropriate Polish representatives for the Entrepreneurship Education Task Force.

Staff members at Solidarity will work with OSU staff to translate and prepare materials, work on success stories and TV production, and coordinate the visits of American counterparts in March 1991, June, October, November, and February, 1992.

Staff members will take responsibility for organizing details of the National Conference with advice from American counterparts. Staff members will order materials and equipment needed for sites with agreement from American counterparts.

All budgeted expenditures will be substantiated with appropriate receipts or invoice copies provided upon request by OSU.

Organization

The Economic Foundation of Solidarity was founded by the Solidarity Trade Union to take care of social problems of economic change in Poland. The general director is Julian Skelnik and the Education Director who will provide oversight for this project is Miroslaw Mironowicz. The Board of the Foundation which is set up by Solidarity includes such people as Jacek Merkel (Member of Parliament), Andrzej Romaszewski (Senator), Krzysztof Zabinski (Member of Parliament), and other well-known trade leaders and activists. Other staff members who may assist from time to time include:

- o Wiktor Kaminski
- o Piotr Swiderski
- o Dagnara Topolewicz
- o Alicia Unterschuetz
- o Jerzy Majewski

Directors of the five Management Centers are:

- o University of Gdansk - Dr. Maciej Rydel
- o University of Torun - Dr. Jerzy Poplawski
- o University of Poznan - Prof. Zdzislaw Fafara
- o University of Bialystok - Dr. Biruta Klepacka
- o University of Rzeszow - Dr. Stefan Czech

The two full-time staff members to be hired should be fluent in English and have writing and organizational skills. At least one should have word processing skills on the IBM computer and other office skills.

Beneficiaries

Solidarity and the Management Centers will benefit very much from this important assistance in bringing market-economic education to Poland. In our opinion, this project will have national significance.

Implementation Plan

During the first year, we will assist OSU staff in the following activities: (see Project BLMP for details; pp. 24-26).

- 1.0 **Coordinate program** - Solidarity will work with OSU to plan the program details and gain necessary approvals in Poland.
- 2.0 **Identify available materials** - Solidarity will assist OSU in identifying available curriculum and completing translation and preparation of materials for courses and workshops.
- 3.0 **Plan Entrepreneurship Institute** - Solidarity will coordinate trips to five sites and arrange necessary schedules and interpreters.
- 4.0 **Establish Task Force on Market Economic Education** - Solidarity will serve on the task force and help identify appropriate others.
- 5.0 **Polish scholars Visit U.S. Schools** - Solidarity will arrange international air flights for 10 scholars and coordinate details of the trip with the selected faculty from the Management Centers.
- 6.0 **Develop Case Studies of Polish Entrepreneurs** - Solidarity will assist OSU staff and Management Center faculty in locating appropriate entrepreneurs and preparing the scripts for publication.
- 7.0 **Arrange Radio/TV Shows** - Solidarity will identify appropriate media and arrange schedules for programs on local entrepreneurs and the Entrepreneurship Institutes. Staff will identify videotape production companies and supervise production of the finished tapes.
- 8.0 **Conduct Pilot Program** - Solidarity staff will provide assistance to this activity as needed, including coordinating activities with OSU counterparts, and U.S. consultants.
- 9.0 **Train Management Center Faculty** - Solidarity staff will assist in the organization of this workshop including production of materials and coordination of guest itinerary.
- 10.0 **Offer Entrepreneurship Institute Programs** - Solidarity staff will coordinate activities necessary between the five sites and provide course materials as appropriate. Staff will coordinate the schedules for American counterparts. Solidarity will manage the budgets for the five Management Centers including pay for faculty and purchase of needed supplies and equipment for classes.
- 11.0 **Offer Business Plan Seminars** - Solidarity staff will translate and produce materials and coordinate activities between Management Centers giving the seminars.
- 12.0 **Conduct Polish National Conference** - With advice and support from American counterparts, Solidarity staff will plan, organize, and conduct a conference for Polish university faculty nationwide.

Sustainability

This Entrepreneurship Institute Program should be easily sustainable in Poland because of the great interest we have in building a strong small business economy. The Management Centers and Solidarity are established organizations that can carry the program forward in the future after learning all possible from American counterparts.

We would hope for a second year project to enhance the activities of the first year and train an additional 50 faculty members from these same universities.

Financially, the task force will seek innovative ways to make the program on-going and self-sufficient. It is expected that we would charge a modest sum to participants in the courses to cover our long-term costs. The national conference and local seminars would be self supporting in future years.

(Note: See Appendix for Solidarity agreement).

Program Management

The Entrepreneurship Program of the Center on Education and Training for Employment (CETE) at The Ohio State University will have responsibility for managing this project in the United States and supervising the activities of Solidarity and the five Management Centers in Poland.

A total of 112.8 person months have been planned for the first year for staff activity. Of this, 28 person months are from Solidarity staff, 13 person months are from experts in business management education from the United States, and 9 person months are for business management of the program in the United States.

In addition, funding has been provided for contracted staff as needed for translation and interpretation services, and for payment of Polish faculty to attend training workshops, teach courses, and conduct seminars in Poland.

Specific roles of each person involved in the proposal are as follows (vita for key staff are in the Appendix):

CETE Staff

Dr. M. Catherine Ashmore will serve as project director and coordinator of all activities in the United States and Poland. Dr. Ashmore will devote 8.4 months to the project of which 50 percent will be in Poland.

Dr. Gary Grossman will serve as facilitator of university faculty training and the pilot program in cooperation with staff in Poland and the 10 Polish scholars who will do the actual teaching. He will devote 6 months to the project of which 80 percent will be in Poland.

Sandy Pritz will serve as coordinator of curriculum choice, adaptation and translation in the United States and Poland. She will devote 6 months to the project of which 40 percent will be in Poland.

Michael Wonacott will serve as an assistant in the selection, adaptation and translation of the curriculum for a total of 6 months of which 25 percent will be in Poland.

Karen Kramer will coordinate the development of Polish entrepreneur case studies and the development of video tapes in Poland. She will also assist our Polish counterparts in conducting a national conference. She will spend 9 months of which 80 percent will be in Poland.

Piotr Korynski will assist in the selection, adaptation and translation of the curriculum and training materials and provide Polish language expertise as well as entrepreneurship training experience. He will spend 9 months on the project, of which 20 percent will be in Poland.

A business office staff member will provide accounting and record management services for the project. They will work with Solidarity to ensure appropriate budget management. He/she will spend 3 months on the project of which none will be in Poland.

A clerical staff member will provide clerical support services to the project including typing new and revised curriculum and handling travel and other organizational details for the project. He/she will spend 100 percent of the year on this project, none of which will be in Poland.

A clerical staff member will provide clerical support for project staff activities for a total of 6 months, none of which will be in Poland.

A clerical staff member will provide clerical support for the business operations related to the project including project records and interaction with those keeping records in Solidarity. He/she will spend 6 months on the project, none of which will be in Poland.

Special Business Education Consultants

Gene Gomolka will spend 2½ months on the program as a technical consultant on management courses. This will involve all but five days in Poland.

PERSONNEL ASSIGNMENTS

	<u>1.0</u>	<u>2.0</u>	<u>3.0</u>	<u>4.0</u>	<u>5.0</u>	<u>6.0</u>	<u>7.0</u>	<u>8.0</u>	<u>9.0</u>	<u>10.0</u>	<u>11.0</u>	<u>12.0</u>
	<u>Mgmt.</u>	<u>Curric.</u>	<u>Mgmt. Ctrs.</u>	<u>Task Force</u>	<u>U.S. Visit</u>	<u>Entrep. Cases</u>	<u>Videos/ Promo.</u>	<u>Pilot</u>	<u>Train the Trnr.</u>	<u>Classes</u>	<u>Semrs.</u>	<u>Natl. Conf.</u>
C. Ashmore 168 days .7 FTE	24	12	12	6	24	12	12	24	12	12	12	18
G. Grossman 120 days .5 FTE		6			6			24	24	24	24	12
S. Pritz 120 days .5 FTE		60	12		24			6	6			12
M. Monacott 120 days .5 FTE		60			30			6	24			
K. Kramer 180 days .75 FTE		24				72	36	9	9		18	12
P. Korynski 180 days .75 FTE		108	12		36	12						12
Clerical Staff 240 days 1.0 FTE	60	120			24			12		12		12
Clerical Staff 120 days .5 days		60				36			12		12	
Clerical Staff 120 days .5 FTE	120											

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PERSONNEL ASSIGNMENTS--Continued

	<u>1.0</u> Mgmt.	<u>2.0</u> Curric.	<u>3.0</u> Mgmt. Ctrs.	<u>4.0</u> Task Force	<u>5.0</u> U.S. Visit	<u>6.0</u> Entrep. Cases	<u>7.0</u> Videos/ Promo.	<u>8.0</u> Pilot	<u>9.0</u> Train the Trnr.	<u>10.0</u> Classes	<u>11.0</u> Semin.	<u>12.0</u> Natl. Conf.
Business Office 60 days	60											
Mirosław Mironowicz 70 days (No charge)	20		5	10				5	5	5	5	15
Polish Staff (1) 240 days 1.0 FTE	24	60	12	12	12			12	12	12	12	72
Polish Staff (2) 240 days 1.0 FTE	24	48				96	48					24
Domolka 48 days .20 FTE		3	3		5			10	10	6	6	5
Wills 48 days .20 FTE		3	3		5			10	10	6	6	5
Neeley 48 days .20 FTR		3	3		5			10	10	6	6	5
R. Terminello 120 days .50 FTE		30	12	6	12			12	12	12	12	12
Total Staff Days 2256	332	597	74	34	183	228	96	140	146	95	113	218
Total Months	---	---	---	---	---	---	---	---	---	---	---	---
% in U.S.	20%	40%	2%	2%	98%	10%	10%	10%	10%	10%	10%	10%
% in Poland	80%	60%	98%	98%	2%	90%	90%	90%	90%	90%	90%	112.8

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Gerry Hills will spend 2½ months on the program as a technical consultant on marketing courses. This will involve all but five days in Poland. Randy Rollinson of the Center for Enterprise Development at the University of Illinois will assist Dr. Hills in his consultancy for the project. He is particularly interested in developing a satellite transmission component that could be used to "bring" U.S. business school experts to the National Conference in Poland in February, 1992. This concept could then be expanded in a second year to the Management Centers.

Lynn Neeley will spend 2½ months on the program as a technical consultant on finance courses. This will involve all but five days in Poland.

Rodney Terminello will spend 6 months on the program assisting staff in Poland to develop expertise in business consulting. He will coordinate special activities with the five Management Centers in Poland and spend 60 percent of his time there.

Solidarity Staff

Mirosław Mironowicz, Solidarity Economic Foundation Education Director will provide on-site management as a contribution to the project. He will spend all his time in Poland and supervise 2 full-time staff members on the project.

Staff Member #1 will provide clerical assistance to all activities of the subgrant and assist American counterparts when in Poland. This person will spend 12 months on the project, all in Poland.

Staff Member #2 will provide leadership in developing the Polish case studies, TV shows and videos and organize the national conference, all in Poland.

Management

Management responsibility will be under the Center on Education and Training for Employment's Entrepreneurship Program. Business functions will be the responsibility of CETE's business office with managerial oversight from the Ohio State University Research Foundation (OSURF). The OSURF Project Administrative Guide will provide detailed project management guidelines.

In Poland, the Solidarity Economic Foundation (the business development area of the union), will provide management of the subgrant funds, activities, and provide contacts with all necessary groups in the country. They have served as our counterpart with the U.S. Department of Labor project with excellent results.

"Solidarnosc" is a member of each of the foundations for the five Management Centers originally funded by the Know-How Project of the British Council. Solidarity's Education Director has agreed to provide necessary contacts and coordination with each Management Center. This project will provide funds to hire two Polish staff members in Solidarity's office. All other administrative costs will be provided as a match by Solidarity.

The only new relationship for our organization is with four of the five Management Centers. We are currently working closely with the University of Gdansk Management Center and have been assured that all five will be happy to have this project.

The five directors of the Polish university-based Management Centers will be responsible for the courses, finding faculty, and coordinating visits by American technical experts. Each Management Center will be staffed by a secretary to organize clerical details for the program.

Implementation Plan

The proposed activities of the project are outlined in the Baseline Management Plan on the next page. Those activities to be wholly done in Poland are marked with 2 asterisks (**). Those to be done in both the U.S. and Poland have one asterisk (*).

Program Constraints

The key, critical developments that must take place and our plans to ensure that they do so are as follows:

1. Agreement from four Management Centers to participate. We have been assured by Solidarity that this will be no problem. We believe we are contributing sufficient resources to each of them to enable the Centers to add Entrepreneurship Institutes with no problem. As soon as we are awarded the grant, we will gain these

approvals in writing. Since Solidarity is a member of each Management Center board of directors, we foresee no problems.

2. **Participation of key government leaders in the Task Force.** Again, Solidarity is in the right position to help us do this, and have agreed to it as part of their subgrant. We anticipate that we will be able to attract more task force members than we can ever use.
3. **Participation of 50 university faculty members from the Economic Department.** This may be the most difficult part of the project because these are the people we wish to make long term impact on and who are not very interested in new teaching ideas. Because they will be asked to teach in a different environment and paid well for their time, we believe we will be able to find 10 applicants for each Center. And, we believe that Solidarity will have a special impact for attracting faculty to the project.

Program Financial Plan

This project features a combination of expenditures for U.S. and Polish staff. The majority of the activities take place in Poland. Solidarity and the five university-based Management Centers will be funded by the project to cover specific staff and faculty, supplies, equipment, and contracted expenses.

The Solidarity Economic Foundation will provide budget management and project supervision by the Education Director at no charge to the project. Also provided as a match will be the use of their offices, meeting rooms, phones, copy machine, computer, laser printer, fax machine, and miscellaneous people resources as needed. The only costs covered by this proposal for Solidarity will be: two new staff persons and contracted project activities. In addition, Solidarity will provide access to their TV programs at no cost and connections with all their networks in Poland.

The five university-based Management Centers will provide classrooms for the courses, existing equipment, office space, administrative time, program promotion, and sleeping rooms for some of the U.S. guests at no charge. The only contribution to the Management Centers from project costs will be the salaries of 50 university faculty, five secretaries, and new supplies and equipment for the program. Specific equipment to be purchased for use in Poland includes the following for each Management Center (subject to actual costs at time of purchase).

- o VCRs and Monitors
- o Video recording equipment
- o Overhead projectors
- o Slide projectors
- o IBM-type computer/modem
- o Laser printer

Supplies include transparency masters, video tapes, computer disks, office supplies, and paper for xerox printers, computers, and student use. Copying of materials will be a major cost in the Management Centers.

Ohio State University will contribute tuition reimbursement for two Ph.D. graduate assistants for four quarters. The National Business Association will contribute three separate computer software programs for business development and accounting that they have developed for use in the United States. We have been given approval to have these adapted for use in Poland at no charge. In addition, Houghton Mifflin has given us verbal approval to use their economics text at no extra charge when it becomes available from Solidarity in Poland. Although these two products and the already translated *PACE* and *Beyond A Dream* (DOL Project) can be an important part of this project, we have not specifically used them as part of our in-kind match.

Categorical budgets have been developed using the AID suggested cost format. These budgets were developed using standard CETE/OSURF budgeting procedures and government travel rates. We will request quarterly financial reports from subgrantee in Poland and maintain weekly telephone contacts. Solidarity will provide reports on cost-sharing from their subgrant. The Ohio State University Research Foundation will provide financial reports. Programmatic reports will be provided by project staff as outlined in the Monitoring and Evaluation section of the technical proposal.

Monitoring and Evaluation

Project staff at CETE will be responsible for monitoring and evaluation of all activities of the project. Since a majority of the delivery of market economics education will be provided by Polish counterparts, we feel it is appropriate that their work and that of U.S. consultants be monitored and evaluated by the primary project staff.

CETE staff will work with the U.S. AID Project office to assist in monitoring the program. It is understood that AID will not have sufficient staff to evaluate all phases of this project and that CETE will provide sufficient evidence of its results prior to continuation in Year II. AID staff will be welcome to participate in any activities of the project.

Regular weekly phone calls as well as carefully planned activities by both project and subgrantee staff will ensure effective implementation of this project. Evaluations by participants will be summarized for inclusion in regular reports.

Initial Work Plan

The implementation plan for the first year of the project will be finalized during the first month of the project and submitted to the sponsor for review. It will indicate the timing by month of all components of the program and the responsible organization and/or individual for each subcomponent or activity.

Quarterly Reports

Five copies of quarterly program performance reports will be submitted to the sponsor and the AID Affairs Officer at the Embassy or AID representative in Poland. These reports shall briefly present the following:

1. Implementation status as compared to status in the Initial Work Plan. The findings from evaluation of activities will be reported and quantitative data provided as indicated in the discussion of outputs. Cost data will be referenced when appropriate.
2. Reasons why established goals were not met, if applicable, and any problems or difficulties requiring attention of the U.S. government or the host country.
3. Summary financial report as agreed on by the OSU Research Foundation.
4. Other pertinent information including, when appropriate, explanations of cost overruns or high unit costs.

Special Reports

If occasions arise where there is significant impact on the program, AID will be notified immediately. Such items may include:

1. Problems, delays, or adverse conditions that will prevent the meeting of time schedules and goals and a statement about action taken or proposed.
2. Favorable developments or events that improve the outputs or timelines of the project.
3. A request for budget revision if project performance reviews indicates a need.

Quarterly Updates on the Initial Work Plan

This update will identify proposed modification of annual work plans and travel projected for the subsequent quarter.

Annual Report

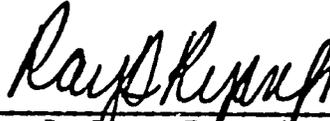
The annual report will be submitted to both ENE/EUR, A.I.D., Washington, and the AID representative in Poland. The report will provide a substantive review of planned activities, the number of people trained or involved, and the qualitative evaluation of participants. Courses, train-the-trainer workshops and the national conference will provide particular opportunity for qualitative analysis. The report will include an executive summary describing success and failures, a review of all grant activities, significance of these activities, comments and recommendations, and a fiscal report describing use of grant funds.

THE ENTREPRENEURSHIP EDUCATION INSTITUTE
IN POLAND
TECHNICAL APPLICATION ADDENDUM

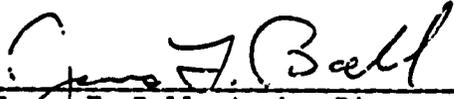
Applicant Organization:

The Ohio State University Research Foundation
1960 Kenny Road
Columbus, Ohio 43210

Initiator:


Ray D. Ryan, Executive Director
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The Ohio State University
1900 Kenny Road
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Approved By:


James F. Ball, Acting Director
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1960 Kenny Road
Columbus, OH 43210-1063
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Duration of Activity:

June 1, 1991 to May 31, 1992

Date Transmitted:

April 19, 1991

POLISH ENTREPRENEURSHIP EDUCATION INSTITUTE PROPOSAL

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EXECUTIVE SUMMARY

As a result of the leadership of Solidarity (Solidarnosc) in overcoming communism, 1989, and now winning presidency by its most visible fighter, Lech Welesa, Poland is poised on the brink of a great rush to embracing the free enterprise system and a market-driven economy. It will be critical that initiatives are more than mere talk. People expect the economy to change overnight, yet they have little idea how to begin. Solidarity leaders must show results soon if they wish to maintain the support of the people. For they are still very poor and cannot afford the goods that are now available. And, unemployment stands at over one million of the 38 million people in Poland.

The challenge is to educate the Polish people to think and behave like a competitive economy. This proposal will combine the strengths of an entrepreneurship program currently underway under the sponsorship of Solidarity and the U. S. Department of Labor, and the University networks of both Solidarity in Poland and The Ohio State University in the United States.

Program Description

Program Purpose

The purpose of the Management Training and Economics Education Program is to develop the technical, management, and economics skills necessary to restructure Central and Eastern European economies and develop competitive markets and businesses. The training provided by the Grantee is to serve as a catalyst to market reform in the region.

We propose to train university faculty at the university-sponsored Management Centers in three cities in Poland: Gdansk, Poznan, and Rzeszow.

The goal of this program is to encourage teaching of market economics education throughout the economics and business-type schools in the universities and colleges in Poland with emphasis on entrepreneurship, small business management, marketing, finance, and small business consulting. To reach this goal in the long term, we propose the following objectives for the first year and possible renewal in year 2 of the Entrepreneurship Institute project:

Background

The countries of Central and Eastern Europe are experiencing dramatic political and economic change. One of the most important changes is the restructuring of the basic economic infrastructure from a centrally-planned to a market-driven system. After 40 years of socialism, most of the citizens are not prepared for the challenges of a market economy. While most of the countries generally have highly educated and intelligent work forces, years of central planning and state ownership have left most individuals with a lack of the basic skills necessary to manage private businesses. Managers of small and large enterprises do not know how to deal with the choices involved in buying and selling under constantly changing market conditions characterized by a large number of choices.

Government economics planners and politicians have little knowledge of alternative ownership schemes; of how to finance the privatization process; of how to redirect trade toward a wider, more competitive world market. Even the public at large needs to be educated to the awards and difficulties associated with the differentiated income and capital accumulation levels as well as the impact of changing personal buying power that is part of the market economies.

Program Objective and Description

The Ohio State University proposed to work with 5 Polish Universities. The technical review committee believes that beginning work with 3 universities in this fiscal year would be more appropriate. Ohio State University will design and implement a training program for university faculty in market economics education

and business management, as well as opening management training centers for small businesses. The program includes 300-450 hours of lectures divided into 5 major courses and training workshops.

Objective 1. To provide a series of courses at three established university-based Management Centers that will focus on small business startup and operations.

Objective 2. To enable existing and new university economics professors to be competent in teaching entrepreneurship, small business management, marketing, finance, and small business consulting.

Objective 3. To provide curriculum for Entrepreneurship Institute courses that are adapted to the Polish environment and available in Polish.

Objective 4. To offer a variety of spinoffs that can enhance the university professors' competence and make information available to other professors and the general public.

This project focuses on the birth and growth of small business by "educating the educators" in Poland. By learning to use the curriculum and teaching strategies in the Management Centers, faculty can become confident and familiar with these new concepts. It is expected that they will eventually be more willing to change their existing economics courses than they currently are. Currently, they teach very narrow, job specific curriculum in Economics Schools and have been reluctant to make changes in existing programs. In the Management Centers, they have been taught by the British how to teach management to large business managers. No emphasis is intended by the British for development of small businesses, however.

This project is essential to encourage economics faculty acceptance of curriculum in this one academic center so that they can gradually see how to use it in their primary teaching role. University-to-university relationships will be fostered in the train-the-trainer activities, the task force activities, and the annual national conference for university professors country-wide. It will focus on current faculty in the first year and new faculty in the second year.

Support programs will be natural spinoffs of the market economics education program. They will use these trained Polish faculty leaders as well as the Polish people already working on entrepreneurship education in Ohio State's program for the Polish unemployed. They will include development of case studies of successful Polish entrepreneurs, preparation of videos of these entrepreneurs to be used on TV and in the classroom, and seminars for bank employees and government officials. Such activities will reach more of the general population and serve as a catalyst to market reform in Poland.

Program Management

The entrepreneurship program at Ohio State University's Center on Education and Training for Employment (CETE) will manage this project. The project will be conducted with managerial oversight from The Ohio State University Research Foundation (OSURF).

In Poland, the Solidarity Economic Foundation, (the business development area of the union) will provide management of the subgrant funds, activities, and provide contacts with all necessary groups in the country. They have served as our counterpart with the U. S. Department of Labor project with excellent results.

"Solidarnosc" is a member of each of the foundations for the five Management Centers originally funded by the Know-How Project of the British Council (\$1.6 million for three years). Solidarity's education director has agreed to provide necessary contacts and coordination with each Management Center. This project will provide funds to hire two Polish staff members in Solidarity's office. All other administrative costs will be provided as a match by Solidarity.

The only new relationship for our organization is with two of the three Management Centers. We are currently working closely with the University of Gdansk Management Center and have been assured that all three will be happy to have this project.

Funding

The total amount of funding requested for this project for the first year is \$1,299,933. The matching cost sharing is \$346,070 for a total project cost of \$1,646,003. The matching contributions from Poland include top level staff time from Solidarity and the three university-based Management Centers and TV programs available. The matching contribution from the United States include products contributed by Houghton-Mifflin Publishing* and the National Business Association. GRA tuition will be paid by The Ohio State University as a cost sharing contribution.

* Not included in matching cost figures.

**Schedule for United States and Poland
June, 1991 - May, 1992**

United States:

		Polish/Educators Visit U.S.		
<u>Organize</u> (June)	<u>Translate</u> (July)	<u>Programs</u> (6 weeks, August/September)		<u>Coordinate</u> <u>Project</u>
-Materials -Trips -Consultants	-U.S. Materials	-Visit university classes -Visit entrepreneurs -Review materials -Plan faculty training		-Budget management -Staff coordination -Supervise Polish counterparts -Evaluate -Reports

Poland:

<u>Organize</u> (June)	<u>Visit</u> <u>3 Sites</u> (June-July)	<u>Pilot</u> <u>Courses</u> (Nov-Dec, 91)	<u>Courses</u> <u>Started</u> (Feb-May, 92)	<u>Polish National</u> <u>Conference</u> (May, 92)
-Leaders -Materials -Facilities	-Plan courses -Plan translation -Plan trips	-Teach -Evaluate -Revise mat'ls	-US consultants -Evaluation -Revision	-Promote -Organize -Conduct -Evaluate

Translate in
Both Places

- US materials
- Workshop materials
- Promotional materials

Faculty
Training

- Workshop w/
Polish faculty
- 5-sites
- US Consultants

Seminar for Govt.
& Financial Officers

- Plan
- Promote
- Offer
- Evaluate

Success Stories:

- Collect information
- Write cases

TV Show:

- Plan
- Shoot success stories

THE ENTREPRENEURSHIP EDUCATION INSTITUTE IN POLAND

Organizational Capability

Since early 1980, the Center has established national leadership in entrepreneurship education. Dr. M. Catherine Ashmore has directed the activities of this subcenter. Major activities include the development of a national consortium of state leaders in entrepreneurship education which has grown from ten states in 1984 to over thirty states in 1990. Dr. Ashmore has headed up the development of a number of entrepreneurship curriculum products and materials including:

PACE (Program for Acquiring Competence in Entrepreneurship). This 18 unit series addresses the competencies needed to be an entrepreneur and developed at three levels of education for lifelong learning articulation. It has been purchased by thousands of schools and used as a model for developing entrepreneurship programs in the U.S., and other countries including Poland.

Beyond A Dream. A 30 hour training program to introduce adults to the idea of starting a business. It, too, has been adapted for use in Poland.

Risks & Rewards of Entrepreneurship. A 4-unit career orientation to entrepreneurship that introduces high school students to the concept. It features case studies of 60 entrepreneurs from all over the United States.

A Vision for Everyone. A 30-minute video tape featuring the stories of seven successful entrepreneurs, designed to encourage others to follow their footsteps.

Challenging Classroom Creativity. A 30-minute video tape and teacher inservice guide that shows unique ways teachers have found to teach entrepreneurship.

Leaders in Entrepreneurship. A directory of over 100 organizations and associations that provide leadership in entrepreneurship in the United States.

Entrepreneurship Clearinghouse. An annotated bibliography of hundreds of books and curriculum to teach entrepreneurship at all levels of education.

Dr. Ashmore has established many networks of educators interested in sharing resources and ideas. Most noteworthy for this project is her association with the United States Association for Small Business and Entrepreneurship (USASBE) which is the United States affiliate of the International Council for Small Business. She is currently president of USASBE and served many years as vice president for Entrepreneurship Education. As a result, she brings to the project a number of nationally known consultants from colleges of business and access to many others as the project demands.

Dr. Ashmore has coordinated the National Entrepreneurship Education Forum bringing together educators from all levels of entrepreneurship education programs in the United States. This year, the 9th Annual National Entrepreneurship Education Forum is scheduled in Philadelphia during May, 1991 and will serve as a model for a similar conference planned for this project in Poland.

Special expertise for the project resulted from a 1990 project to assist Solidarity in Poland in establishing an Entrepreneurship Training Program for the unemployed in Gdansk. This is part of the program developed from the U.S. Public Law 101-179, Support for East European Democracy (SEED) Act of 1989. Funded through the U.S. Department of Labor, the CETE project staff spent nine weeks in Poland on three trips to accomplish the following (see Appendix for details):

- o analyze the environment for entrepreneurship;
- o establish an advisory committee;
- o adapt *PACE* and *Beyond A Dream* products to the Polish situation;
- o coordinate translation in Polish;
- o pilot test the materials at the University of Gdansk Management Center;

- o review the materials with the Gdansk Private Entrepreneurs Club;
- o plan the train-the-trainers workshop;
- o provide technical assistance on development of a business incubator;
- o provide assistance in a country-wide meeting of regional economic development coordinators.

The project is currently in process and includes continuation in 1991 of the train-the-trainer workshops and technical assistance for incubator development. Staff involved in these activities include Dr. Ashmore, Rod Terminello, a consultant with the Ohio Small Business Development Center, and Karen Kramer, graduate research associate at CETE.

Dr. Gary Grossman serves as the director of the Ohio Council on Economic Education. As such, he supervises 36 centers in Ohio that train teachers of economics. He also has extensive experience in international projects including a current project to develop small businesses in Turkey.

Ms. Sandy Pritz coordinates the programs for special populations at the Center. She has extensive background in economics, has taught economics at The Ohio State University, and was assistant director in the original development of the entrepreneurship curriculum, *PACE*.

Rodney Terminello works as a consultant for the State of Ohio SBDC and as a consultant for CETE. He is currently writing training materials for consultants, organized the SBDC in New Mexico, and is providing technical assistance on incubators in Poland. He recently completed the CETE project to train 6 Turkish scholars to teach entrepreneurship in Turkey.

Karen Kramer is working on her Ph. D. at The Ohio State University and serves the project as a Graduate Research Associate. She has been actively involved in the entrepreneurship project in Poland. At CETE she has been responsible for developing successful entrepreneur case studies, collecting information and writing the *Clearinghouse on Entrepreneurship*, coordinating details for the National Entrepreneurship Education Forum, working with the National Entrepreneurship Education Consortium, and conducting Train-the-Trainer workshops.

Piotr Korynski is currently an instructor of economics at the University of Gdansk. He plans to come to Ohio State University to complete his doctorate in 1991. We will hire him as a graduate research associate at OSU, or as an employee of Solidarity while he is in Poland. He has served as translator of *PACE* and *Beyond A Dream* in the Department of Labor project and is currently conducting the pilot test class. He has excellent spoken and written language capacity in both English and Polish, and a good command of the concepts of entrepreneurship.

Very important to the capacity of the project are three College of Business consultants as follows:

Dr. Gene Gomolka from the University of Dayton is professor of management with special emphasis on small business. Dr. Gomolka has served as president of USASBE and is currently an officer in the International Council of Small Business. He is nationally known for his research and leadership in entrepreneurship and is currently writing a text on teaching methods for entrepreneurship at the college level. Dr. Gomolka has also held many offices in the Academy of Management.

Dr. Gerry Hills from the University of Illinois at Chicago is an internationally known marketing instructor. He has served as officers of USASBE and ICSB as well as being active in the American Marketing Association and the Academy of Management. Dr. Hills is very active in ACE, the Association of Collegiate Entrepreneurs, and does quality research and teaching in marketing for small business. In January 1991, he hosted ten top-level Polish educators and government administrators as they study business policy in the United States. Randy Rollinson will assist Dr. Hills with his consultancy and work to develop a satellite program to bring U.S. business expertise to Poland.

Dr. Lynn Neeley is an associate professor at the University of Northern Illinois. She serves as the Vice President for Finance in USASBE and teaches accounting for small business to graduate and undergraduate students.

Program Description

The purpose of the Management Training and Economics Education Program is to develop the technical, management, and economics skills necessary to restructure Central and Eastern European economies and develop competitive markets and businesses. The training provided by the Grantee is to serve as a catalyst to market reform in the region.

The development of three Entrepreneurship Institutes as part of existing university Management Centers is the primary focus of this proposal. Our strong connections with the Economic Foundation of Solidarity led to this proposal as the most rational way to impact on university professors who teach in the economics schools (there are no business schools).

Background

The Center on Education and Training for Employment (CETE) is in its 26th year providing national leadership for all types of education for employment. The Entrepreneurship Program was established in 1980 to provide leadership for entrepreneurship education in the United States.

The Center's mission is as follows:

- o the delivery of education for training for work;
- o the quality and outcomes of education and training for employment;
- o the quality and nature of partnerships with education, business, industry, and labor;
- o an opportunity for persons in at-risk situations to succeed in education, training, and work environments;
- o the short- and long-range planning for education and training agencies; and
- o approaches to enhance economic development and job creation.

The Center operates as an independent unit in Ohio State University's College of Education. As such, the director, Ray Ryan, serves as a member of the Dean's executive committee.

Since 1980, the Center on Education and Training for Employment has actively worked with countries worldwide to share expertise and develop cooperating networks. Projects include work with the Philippines, Korea, Great Britain, France, Mexico, Kuwait, Canada, Costa Rica, and Great Britain who has adapted the Center's entrepreneurship curriculum, *PACE*, for sale there.

We have recently completed a project to train 12 leaders from the Turkish Ministry of Education for five months (six had special focus on entrepreneurship). We have work with 10 Chileans for six weeks to develop competency-based education program activities. And, we have been named the North American office of the Global Dialog Association, an international non-governmental public organization with headquarters in France. Its purpose is to pool intellectual resources of leading experts worldwide to resolve current problems in the economic, scientific, cultural, and social spheres by means of international computer networks.

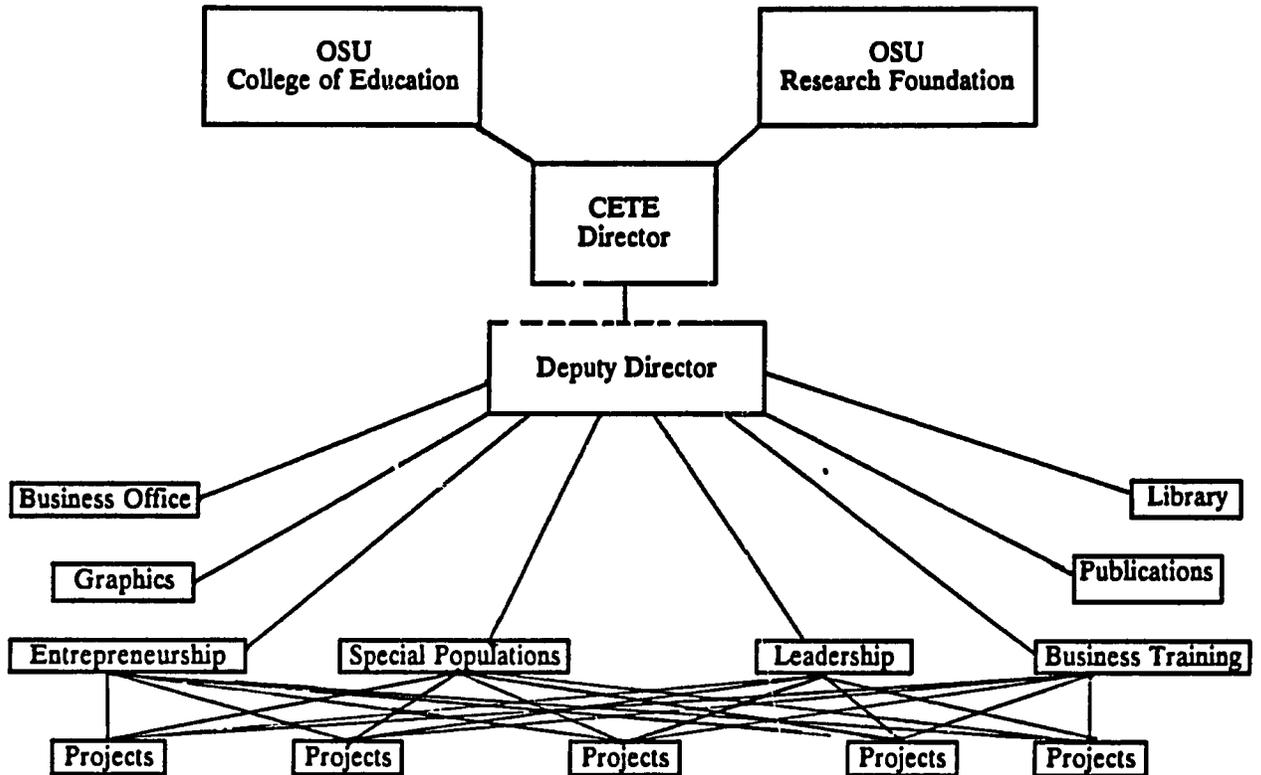
Recently, we signed a partnership agreement to exchange scholars from the Soviet Union and have already coordinated several groups of visitors.

The Center is a cost-recovery unit with no staff funding from the University. Annual budgets have fluctuated between \$4 million and \$12 million over the past decade. There are four major development groups in the Center at present. They include entrepreneurship, education for special populations, leadership, and business training. In addition, we house the ERIC Clearinghouse for Career, Adult, and Vocational Education and the Ohio Vocational Curriculum Center. We have expertise in train-the-trainer workshops, computer applications, curriculum design, and operation of national conferences. We coordinate five national consortiums for education and training.

Each project is funded by local, state, federal, or international sponsors and operated by project directors. Budgets and management of projects is overseen by The Ohio State University Research Foundation as well

as CETE management and business office. The Center has its own library and connection by computer to all 38 of OSU's libraries and a nationwide network. The Center operates its own graphics and printing functions or uses the OSU print shop for major jobs. It has rooms for meetings and training sessions available to the projects at no charge. The Center has an 800 toll free number for all calls within the United States and access to MCI/Sprint, etc. for reduction of long distance call expenses. It operates a FAX machine to facilitate international communications.

The organizational structure of CETE is as follows:



Much has been written about the desire in Poland to move to a complete market-driven economy. Privatization of large government-owned businesses passed in Parliament in July, and currently seven of them have offered stock for sale as a test. Small vendors are appearing in place of the blackmarket, and the store shelves are stocked with goods instead of standing empty. But the hard reality still exists for these people (see Appendix):

- o It takes 10 years to get a phone and then the lines are mostly busy.
- o Bank interest rates have risen from 40 percent in July to over 70 percent in December 1990.
- o Inflation was about 1500 percent in 1989 and 300 percent in 1990. No one can afford to buy much.
- o The stores are closed by Saturday noon and all day Sunday. It is hard to shop even when you have money.
- o Rents on buildings, now privately owned, have gone up so much that store owners are out of business.
- o Over one million people are unemployed, mostly as a result of layoffs from large government-subsidized businesses where the subsidies are now gone.
- o The average monthly salary of most people (including university professors) is about \$150-200.
- o There is no attempt to please tourists. The focus is on basic Polish needs.
- o Polish goods have a tradition of poor quality in European markets.

- o Polish workers put in about 6 hours a day on the average. Everyone goes home from offices by 3:30 or 4:00.
- o Store clerks are busier protecting the goods than helping the customer. Customer service is very scarce.
- o Most buildings and stores are very old, out of date, and in need of refurbishing.
- o Business supplies and equipment are very scarce (i.e. paperclips, pads of paper, envelopes, tape, etc.).

This description could continue on and on. The point is that there are many business opportunities in all these problems and people are asking for help in determining how to create businesses to solve these current situations.

Since the university-based Management Centers were founded by the KNOW-HOW Project of the British Council, Solidarity's Economic Foundation has been a partner in their development in the three cities and other locations. Other partners include the university in each location, and in some sites it also includes the city council, chamber of commerce, and private businesses. The major purpose of the British project is to teach management to leaders in the large government-owned businesses that are trying to privatize.

The Entrepreneurship Institutes in each Management Center are visualized as an important new concept to reach an additional target audience...those who own a private small business or seek to start one. We see this as a higher level of education than the currently started classes for the unemployed. But, they each add to the capacity of the universities to teach market economics education in Poland.

To make an impact on the faculty in the universities is a difficult problem in Poland. There is much autonomy in what each career area chooses to teach and very little desire on the part of existing faculty to change anything. Each faculty person teaches about 12 hours a week to students in a specialty occupational field. The students take the courses in the school and career field they are assigned as a result of the university entrance test. They have no choices. And, they do not have a common curriculum where students of various career areas study together.

Some of the specializations in the University of Gdansk Department of Transport Economics are as follows (note that there are no schools of business in Poland. The closest thing is the economics schools described here):

- | | |
|-----------------------|-----------------------|
| o Sea Transportation | o Social Economics |
| o Land Transportation | o International Trade |

The Department of Production Economics offers the following:

- | | |
|------------------------|-----------------------|
| o Production Economics | o Management |
| o Services Economics | o Finance and Banking |

Economics faculty all teach common courses such as economics, mathematics, statistics, econometrics, history of economic thought, accounting, financial analysis, general finances, etc. to their career area students, And, they also teach specialized technology for the career area.

The only career area that currently teaches any marketing concepts is International Trade. And, it is important to note that Dr. Rydel of the International Trade Area, also is the director of the University of Gdansk Management Center where we are planning to work.

Thus, our strategy is to provide extra work (and income) to willing economics faculty to learn how to teach entrepreneurship, small business management, marketing, finance, and consulting in a different setting for a different audience of students. In the process, they will develop competency and familiarity with the materials. They will have opportunities to be leaders in a separate university environment not directly affecting their classes, and to share ideas university-to-university during the U.S. trip, the train-the-trainer workshops, and the national conferences (one per year).

It is our expectation that this familiarity and experience, motivated by more pay and a different responsibility, will lead to acceptance of market economics education in the current career areas in the Department of Economics. We will stimulate these ideas by showing them classes in business schools in the United States and curriculum to be used from these classes. And, we will encourage discussion of such changes on the program of the national conference.

University professors will also extend their use of the knowledge by providing short seminars for bankers and government officials using the entrepreneurship competency they have developed. Such seminars will focus on the role of these organizations to help small businesses succeed.

University professors will be involved in research on Polish entrepreneurs whose stories can be developed into case studies to use in classes. These same case studies can be made into video tapes for use in more rural classes and to promote entrepreneurship on TV shows. As a result, the faculty involved will be visible in the community and part of a group of peers experiencing the same activities.

Solidarity, as a partner in each Management Center, is anxious to develop tangible results that can continue long after American consultants are gone. They particularly feel the pressure to provide change and successful models for implementation in the whole country. And, they have the networks to make it happen if given the necessary tools and technical assistance.

Solidarity's Economic Foundation is already closely associated with the Polish Ministries of Industry, Education and Labor. And of course, will be even more likely to be part of the new administration of President Lech Welesa. We feel this is the strongest counterpart to be found in this country at this time.

Program Goal, Objectives, Inputs and Outputs

The Ohio State University proposed to work with 5 Polish Universities. The technical review committee believes that beginning work with 3 universities in this fiscal year would be more appropriate. Ohio State University will design and implement a training program for university faculty in market economics education and business management, as well as opening management training centers for small businesses. The program includes 300-450 hours of lectures divided into 5 major courses and training workshops.

The majority of the work on this program will take place in Poland to encourage the most efficient and effective use of resources.

The goal of this program is to encourage teaching of market economics education throughout the economics schools in the universities and colleges in Poland with emphasis on entrepreneurship, small business management, small business marketing, finance, and small business consulting.

To reach this goal in the long term, we propose the following objectives for the first year and possible renewal in Year 2 of the Entrepreneurship Education Institute project:

Objective 1. To provide a series of courses at three established university-based Management Centers that will focus on small business startup and operations.

Objective 2. To enable existing and new university economics professors to be competent in teaching entrepreneurship, small business management, marketing, finance, and small business consulting.

Objective 3. To provide curriculum for Entrepreneurship Institute courses that are adapted to the Polish environment and available in Polish.

Objective 4. To offer a variety of spinoffs that can enhance the university professors' competence and make information available to other professors and the general public.

Program inputs will be as follows:

1. Available curriculum materials in Poland and U.S. that address entrepreneurship, management, marketing, finance and consulting for small business to be translated and adapted.
2. Technical assistance from recognized experts from U.S. business schools and college of education.
3. British Council-funded Management Centers in three universities that need additional resources for small business.
4. Relationships already established with the Solidarity Economic Foundation, University of Gdansk, and related broad networks.
5. American staff experienced in Polish culture, business practices, and training programs in entrepreneurship for a less sophisticated audience.
6. Entrepreneurship materials already translated into Polish that can serve as a base.
7. American contacts in business schools and private sector to provide broad experience for Polish faculty visitors.
8. Technical assistance with computer programs for small business financial decisions and software to be translated for Poland.
9. Contacts with Polish entrepreneurs already established to develop success stories.
10. Regular TV shows produced by Solidarity available for entrepreneur success stories.
11. Requests from the Management Center in Gdansk for equipment, books, magazines, etc.
12. Experience with U.S. national conferences that can be adapted to the Polish National Entrepreneurship Education Forum.
13. Access to IBM mainframe computer that is to be installed at the University of Warsaw.
14. Solidarity connections to Poland's government agencies (ministries) that can support the program in the future.
15. Experience with Polish advisory committee for the Department of Labor project that will help in forming a new task force on entrepreneurship education.
16. Use of Houghton Mifflin's economics text that is already 50 percent translated for publication by the Solidarity Economic Foundation.

Project outputs will be as follows:

1. Curriculum in Polish for three courses at five management centers covering entrepreneurship, management, marketing, finance and consulting for small businesses.
2. Courses established in three university-based Management Centers with a total of 300-450 total hours taught in Year I.
3. Train-the-trainer workshop completed for 45 faculty members (15 per Management Center).
4. Eight faculty members trained in the United States (2 per Management Center, plus 2 for Solidarity).
5. A total of 150 students trained in Year I and as many as 1000 students if the project is extended to Year II.
6. Ten seminars provided for government or banking officials (2 per Management Center).
7. A book of case studies published featuring the stories of 8-10 Polish entrepreneurs.
8. Video tapes produced featuring the stories of 8-10 Polish entrepreneurs.
9. Five or more TV programs featuring the Polish entrepreneurs and courses offered.
10. Task force established to plan continuation of projects.
11. University-to-university contacts made in Poland and between the U.S. and Poland.
12. A national conference on entrepreneurship and market economics with the model to be continued in the following years.
13. Commitment to continuation of the project obtained from new and participating universities.

The inputs of this project will provide sufficient resources, experiences and technical assistance for the Polish university faculty to learn how to teach these subject areas. The majority of the project will take place in Poland using many previously made contacts by Ohio State University staff. It will benefit from the expertise and experiences of U.S. college of business leaders in their respective fields. And, it will distribute market economic concepts to potential and existing small business owners, bankers, and government officials who need to know how to help develop this market-driven economy with the creation of new businesses.

The most important purpose, i.e., to make the university professors competent in teaching these concepts, is the central focus of all activity. The supporting objectives, (to establish courses, to provide Polish materials, and to interact with others in the Polish community) all will be done by the university professors with help from their American counterparts. All of these experiences will help the project meet its goal of encouraging Polish economic faculty to teach market economics in their universities and colleges because they have grown comfortable with the new competencies and how to teach them. We believe the goal of enabling universities to teach market economics will be more easily accomplished in this manner than if some "important" American experts try to tell Polish university professors directly how to change their existing classes and curriculum.

Program Goal

Teaching market economics education in the Polish universities and colleges is a long term goal that cannot be expected to be accomplished in one year. The goal of this project is to encourage teaching of market economics education throughout the economics and business-type schools in the universities and colleges in Poland with emphasis on entrepreneurship, small business management, marketing, finance and consulting for small business. This project will provide a catalyst for encouraging faculty in approximately 100 colleges and universities in Poland to understand the concepts to be taught and have materials available in Polish to enable them to choose to teach such concepts in their classes.

Program Purposes

Four major objectives will be accomplished as a result of the activities in this project.

1. To provide a series of courses at three established university-based Management Centers that will focus on small business startup and operations.

These courses will be an on-going part of these Management Centers once the program has been established on a cost-recovery basis. This probability is further enhanced by their linkage with the three-year funded project from the British Council which underwrites the costs of these Management Centers as they are starting out.

2. To enable existing and new university economics professors to be competent in teaching entrepreneurship, small business management, marketing, finance, and small business consulting.

Professors asked to teach will be paid well for their work compared to the current \$150/month salary that currently exists, and in addition to it. Competency will come from their experiences with American university consultants, interaction with each other, research on Polish entrepreneurs, preparing courses for students, and seminars for bank and government officials. The annual conference on entrepreneurship education will provide further university-to-university interaction and professional development.

3. To provide curriculum for Entrepreneurship Institute courses that are adapted to the Polish environment and available in Polish.

It is not merely a matter of translating American texts to be used in these courses at the Management Center. As we have learned in the translation of PACE, there are not words in Polish for many American business terms and concepts. The laws and the accounting system are not the same. And, the methods of doing business are quite different. An inexperienced person would need to learn these things before choosing the American texts and curriculum that would be most appropriate.

Fortunately, there are many Americans already at work in adapting market economics texts to the Polish situation. We will have access to all these sources (including our own and the economics text from Houghton Mifflin) as we decide what curriculum to use in the program.

Computers will be available on a limited basis through this project and the British Council's KNOW HOW Project. An important part of the curriculum will be computer programs for cash flow planning and small business accounting that the project staff will have translated for student use. (Provided by the National Business Association - see Appendix).

One of the most unique parts of the course materials will be the development of Polish entrepreneur case studies. These will be published for use in print in the classes. And, they will be video taped for use in the classes and on public TV to promote the spread of entrepreneurship in Poland.

Courses will be planned based on using traditional American pedagogical techniques. These include presenting information, practicing use of information through activities, developing new concepts for business in Poland as a result of application, and analysis of existing business through the case study method. Specific methods will be recommended by the subject area consultants in the project. Many materials will need to be translated to Polish, others may be available in Poland now.

4. To offer a variety of spin offs that can enhance the university professors' competence and make information available to other professors and the general public.

Faculty of the management centers will be a major part of the program of the national conference, explaining what they teach and how the Entrepreneurship Institute works. Course materials will be shared and references identified. This conference will be planned as the first of a series of annual FORUMs for university professors to meet and share ideas.

Faculty will be encouraged to join the International Council for Small Business, a world organization of leaders in entrepreneurship and small business. There is a special membership rate open to developing Eastern European countries that will make annual membership very economical. And, it is anticipated that some of these faculty may even attend the ICSB Conference in Vienna in June, 1991.

The faculty will take leadership in developing seminars for local bankers involved in working with small business. And, they will also plan seminars to update government officials on the concepts of market economics and assistance to emerging small businesses. As a result, they will develop important networks to provide assistance to their students, and speakers for their classes.

Program Outputs Summary

In summary, the project will result in the professional development of 45 university faculty in the competencies of entrepreneurship, small business management, marketing, finance, and small business consulting in three established university-based Management Centers in Poland.

It is planned that faculty will teach in teams of two with a total of 50 students choosing to take one or more of the five courses offered at each site. Each course will be scheduled for 20-30 hours, thus courses will be offered for a total of 100-150 hours per site, or an approximate total of 300-450 hours of class time during the first quarter of the program.

Curriculum will include major text material, resource texts, software, and American magazines. It will also include ten case studies in Year I.

Two leading faculty members will be chosen from each site to visit business management classes in the United States and meet with the university-based advisors from the U.S. A six-week tour and lecture series will be planned. These eight leaders will work with American staff to choose the curriculum to be translated and plan the train-the-trainer workshops they will conduct in Poland.

The train-the-trainer workshop will be held in Gdansk to enable the 45 university faculty members to participate in the pilot program and learn how to manage the curriculum. It is anticipated that they will spend 2-3 weeks in this process.

Products include the curriculum materials, a book of case studies and accompanying video tapes, and materials for seminars for government and bank officials.

Existing access to at least three TV programs will be used to share information about the Entrepreneurship Institute at three Management Centers and to share the success stories from Polish entrepreneurs.

A national conference will be held with an estimated participation of 200 faculty members for two days at a central point (probably Warsaw).

A task force on market economics education will be formed with representatives from each Management Center Foundation, faculty, Solidarity's Economic Foundation, and appropriate government officials. The task force will meet at least three times and will be featured at the national conference.

Three U.S. business school consultants will provide technical assistance to Polish faculty on four trips to Poland. First will be in June, 1991 to meet with the three centers and plan the curriculum approach. Second will be in November or December to assist with the pilot test and train faculty from three sites. Third will be in February to assist the Management Center openings. The fourth will be in May, 1992 to participate in the national conference. Each will host the 10 visiting faculty leaders in the U.S. for a week at their university during July, August, or September.

As a result, the 50 university faculty involved in this program directly will have an intensive experience in learning market economics education in the most appropriate ways to help Poland grow a new economy.

Program Inputs Summary

In summary, the project will use diverse existing resources to accomplish the development of this new program in Poland. Excellent teaching materials are already available in the U.S. which can be translated and adapted. There are even products such as *PACE* and *Beyond A Dream* and Houghton Mifflin's economic textbook that have already been adapted and translated. The 5 courses to be provided will use traditional American pedagogical techniques including application analysis and creation of new approaches. The content expert consultant will choose U.S. course materials that are most appropriate.

The existence and support of the Management Centers by the British Council is a special benefit to the program to add an Entrepreneurship Institute. Our networks in Solidarity will enable us to pull all these groups together without problem.

We will use a combination of American staff who have experience in Polish entrepreneurial development (through the project being funded by the U.S. Department of Labor) and experts from business schools in the U.S. who have agreed to be consultants. In addition, we have a large national network through USASBE to find other U.S. business school experts as needed. (Dr. Ashmore is presently president of USASBE.) We will hire a Polish staff member for the project to serve as translators, interpreters, and project facilitators.

We will use contacts already established with the Private Entrepreneurs Club and Economic Societies throughout Poland to develop success stories and case studies for class use. TV production of these stories will send the message about the class more broadly throughout Poland. Existing Solidarity connections with TV programs will enable us to air these stories.

Computer programs to help learn how to plan small businesses will be provided by the National Business Association for translation and adaptation in Poland. These programs were developed for the U.S. Small Business Administration and available from NBA who is a member of our U.S. entrepreneurship consortium. A computer and appropriate software will be provided for each Management Center so that students can work on their plans individually and learn how to use a computer for their business operation. Other resources will be provided to each site as already requested including classroom furniture, office supplies, books for the library and U.S. business magazine subscriptions.

Experience with our current project advisory committee will help us form a task force on market economics education to support the development of the three Entrepreneurship Institutes. Solidarity will help us engage the right people from government ministries, education, and the community to provide national leadership for continued support for this program. At present, they are suspicious of committees because they had too many unproductive meetings under communism. Results are what counts in Poland today.

Experience in running nine annual National Entrepreneurship Education Consortium FORUMs in the United States will help our staff organize a similar conference in Poland as an annual event and capstone of the first year of this project. Staff at Solidarity will take responsibility for planning the conference in Poland with American staff advice. The new IBM mainframe to be established at the University of Warsaw will be one of the key features of this national conference. The courses at the three university Management Centers will be another important focus. A possible satellite program is being explored by University of Illinois consultants. Key speakers will be from the project task force, the Ministry of Education, and possibly even the new president, Lech Walesa, who as president of Solidarity has always promoted the importance of "Przedsiębiorcow," developing a new small business economy in Poland.

These inputs will give special strength to the potential success of this program and eventual acceptance of market economics education concepts among university faculty.

Location

In discussion of the proposal ideas with Solidarity Economic Foundation leaders, it was highly recommended that we introduce Entrepreneurship Institutes in the three Management Centers connected with Polish universities. The reasons for this suggestion are primarily based on their experience with getting support previously with other universities. The problem is that existing university faculty are generally in control of what they teach and very closed to outside suggestions from "experts." Solidarity refers to these university professors as "yesterday's man."

In their work with picking locations for the British Council's KNOW HOW Project, Solidarity selected these three sites as the most open to teach new concepts. But, they also founded a separate university department, the Management Center, to offer training in these new ideas for managing existing large businesses. They did not try to change what is currently taught in the economics departments. We believe this is a very wise approach.

Solidarity staff and Management Center staff are very eager to add the entrepreneurship/small business focus to their center in addition to the training for large government-owned business managers that they currently offer. (See Appendix for letters and details.)

Criteria for selection of these three sites includes:

- o availability of a building with classroom and office space dedicated to this program.
- o availability of full time staff (director and secretary) to facilitate program operations.
- o direct connections with university operations and sanctioned by the university.
- o availability of space for business consulting and individual instruction.
- o agreement with the British Council to share space and resources as needed between the two projects.
- o proximity to university faculty and related services.

These locations represent a diverse spread of universities in Poland as shown on the map of Poland (see Appendix). They are connected by good roads and trains to facilitate movement of U.S. staff and consultants between sites. Some even offer sleeping rooms for guests in the Center itself. These will be available to project staff.

CETE Plan of Action

The program to develop Entrepreneurship Education Institutes in three university-based Management Centers in Poland will be conducted by experienced staff from Ohio State University, business school consultants from other U.S. universities, staff housed in the Solidarity Economic Foundation in Gdansk, and the three Management Center's own staff.

Activities

There are a number of activities in this project that will enable the program to "educate the educators" in three universities in Poland, encourage university-to-university relationships and contribute substantially to a sustained higher quality market economics education in Poland.

Specific activities and targeted dates include:

1. Plan the project with cooperation of Solidarity, three Management Centers and Task Force, in Poland, June, 1991.
2. Plan the courses/materials with Polish counterparts and U.S. business school consultants in Poland, June/July, 1991.
3. Host eight Polish faculty, two from each of the Management Centers, and two from Solidarity in the U.S. for six weeks and plan train-the-trainer course, August-September, 1991.
4. Pilot test the courses at the University of Gdansk Management Center, October, 1991.
5. Concurrent with pilot test, conduct the Train-the-Trainer workshop for 40 faculty members in Gdansk, October 1991.
6. Grand opening of the Entrepreneurship Institutes providing on-going courses at three Management Centers to teach entrepreneurship, small business management, marketing, finance, and consulting, February, 1992.
7. Seminars on business plans offered for bankers and government officials in three towns, February, 1992.
8. National Conference on Entrepreneurship Education in Poland for 200 university professors to feature the work of the three Entrepreneurship Institutes and develop interest in other university faculty.

Concurrent with these specific activities we will be adapting and translating curriculum, developing Polish entrepreneur case studies, working with Polish media and developing video on the program, and working with the Entrepreneurship Education Task Force on long-term plans.

Solidarity has already agreed to be our major subgrantee and counterpart in Poland. The University of Gdansk Management Center has agreed to be the pilot site, and we have been assured by Solidarity that the two other Management Centers will be happy to do this project. (Solidarity is a member of the Foundation at each of the three sites.) Additional top level approvals will be gained to support the program after the grant has been awarded. The Task Force will include all necessary top level administrators to gain sustained support long-term for the program. We will obtain these agreements on our first visit in June, 1991.

Organization

CETE staff involved with this project work in the Entrepreneurship division of the CETE and the business office. University administration is provided by The Ohio State University Research Foundation.

Personnel assigned to this project are as follows:

	FTE	% in U.S.	% in Poland
o Dr. Cathy Ashmore	.70	50%	50%
o Dr. Gary Grossman	.50	20%	80%
o Ms. Sandra Pritz	.50	60%	40%
o Ms. Karen Kramer	.75	20%	80%
o Mr. Piotr Korynski	.75	80%	20%
o Clerical Staff	1.00	100%	---
o Clerical Staff	.50	100%	---
o Business Office	.25	100%	---
o Clerical Staff	.50	100%	---

Consultants asked to assist with this program include the following:

o Dr. Gene Gomolka	.20	10%	90%
o Dr. Gerry Hills	.20	10%	90%
o Dr. Lynn Neeley	.20	10%	90%
o Mr. Rodney Terminello	.50	40%	60%
o Mr. Michael Wonacott	.50	80%	20%

Other backstop possibilities include contacts from schools of business in the U.S. who could be asked to fill in and residents of Columbus who will be hired to do translation as needed. There are Polish students at Ohio State University that could be hired on a part-time basis to help also.

Beneficiaries

The Solidarity Economic Foundation will be one of the beneficiaries of this project. They represent an important part of the Solidarity Union leadership in Poland. They manage a network of regional economic development groups in each "województwo" (44 regions in Poland). Each U.S. or British sponsored project provides them with greater understanding of a market economy and more tools to make it happen in their country.

The staff at CETE will also benefit from this project by involving more professionals in the learning opportunity in Poland. It is important to recognize what already exists in Poland and to show respect for their ideas. And it is fascinating to watch the changes that are taking place daily. As a result of this project the CETE staff will develop greater capacity to provide assistance to other groups in Poland and other Eastern European countries.

The primary benefit will be to 45 Polish Economic School faculty members who will receive materials, training and technical advice on how to prepare people for an entrepreneurial economy. A secondary group will be their colleagues who gain information at the national conference or by word-of-mouth from their peers. The university-to-university interaction will encourage them to take leadership and ownership of the ideas of market economic education.

Other beneficiaries will include the 150+ students in the first year courses in three cities. They will generally be young, out-of-school adults, who want to start a business or already have one started and need help. They may be university students who come to the classes because their university professors suggest it. We will not attempt to tightly sort out the classes in the first year because we need to learn more about what to teach this group and why.

Other beneficiaries include bankers who have money to loan small businesses and government officials who need to deal with policies to help small businesses. They have no demographic specialties except that they will be in the three cities where the Management Centers are located.

And finally, the entrepreneurs in Poland will have a chance to be featured in public media, providing the public with awareness of the entrepreneurial possibilities.

Perhaps the International Council for Small Business, with the European affiliate in Vienna, will be a beneficiary of potential new members from this newly trained university cadre in Poland.

Implementation Plan

The U.S.-based staff will plan, organize and supervise the activities of the following 12 major tasks of the program and will take responsibility for assisting the Polish counterparts in their responsibilities. The scope of work is as follows (see baseline management plan on pp. 24-26):

- 1.0 **Coordinate program** - CETE staff will organize the project with the Solidarity Economic Foundation. In a trip already planned for June (DOL Project) CETE staff will finalize details on cooperation with the three Management Centers. CETE staff will work with Solidarity to set up management and communication systems and to hire two staff persons in Poland to facilitate operations, translation, and interpretation for U.S. visitors.

Throughout the project CETE staff will travel to Poland for all major activities and assist in planning and problem solving. CETE staff will arrange all U.S. travel visas and itinerary for U.S. staff and consultants. They will purchase necessary teaching materials, equipment, supplies, and resources and arrange for transportation to Poland.

CETE business office will supervise budgets and arrange necessary financial transfers and accounting reports. Reports on the project will be submitted quarterly to the sponsor including a final summary report at the end of Year I. Copies of materials developed for the program will be submitted to the sponsor.

- 2.0 **Identify available materials** - CETE project staff will collect possible materials to use in the Entrepreneurship Institute Program and related seminars from existing resources in the U.S. and also in Poland. With the help of U.S. consultants and eight leaders from Polish faculty the best materials for the courses will be selected and organized for translation, if not available already in Polish.

In August-September when the Polish faculty visits the U.S., the courses for the Management Centers will be designed using materials being translated. The CETE staff will plan for all necessary adaptation and translation of materials to be ready for use in the pilot course in October. In most cases the translation will be done in Poland and supervised by the Solidarity sub-grantee.

- 3.0 **Plan Entrepreneurship Institute** - CETE staff will arrange for U.S. Business School consultants to visit the three Management Center sites in June or July, 1990. At this time we will plan the Center courses and extra seminars for local bankers and government officials.

We will identify any needed additional translation and identify local English-speaking residents who can help with interpretation. It will be useful to have some of the faculty fluent in English as we have already found at the University of Gdansk. If not, we will make arrangements to facilitate communications with necessary added part-time staff. As a part of this task CETE staff will identify relationships at each Management Center which would enhance the long-term acceptance of the program.

- 4.0 **Establish Task Force on Market Economics Education** - CETE staff will work with Solidarity to identify the most appropriate members to serve on this national leadership committee. We will conduct meetings of this task force quarterly and work with them to identify long-term plans for the introduction of market economics education in the country. This will include assisting them in finding long-term support for the Entrepreneurship Institute and other related activities in this program. For example, we would encourage the continuation of the national conference each year and the research on Polish entrepreneurs.

- 5.0 **Polish Scholars Visit U.S. Schools** - To enhance the understanding of the American small business/entrepreneurial economy, we would work with our Polish counterparts to select two faculty representatives from each Management Center to visit the United States for six weeks during the Polish holiday season in August-September. CETE staff would arrange their itinerary in visiting the Business Schools of consultants and other U.S. leaders in entrepreneurship and small business education. CETE staff will

arrange for housing, travel, and appropriate per diem expenses for the visitors while in the United States. They will also arrange for necessary travel expenses for staff and consultants to assist the Polish scholars.

CETE staff will help these eight Polish leaders review the materials selected for the courses, assist with translation and adaptation questions, and plan exact details for the faculty training program scheduled for Poland in November/December.

CETE staff will arrange for Polish scholars to study U.S. business techniques and interview U.S. entrepreneurs. They will discuss how to develop appropriate success stories and case studies so they can apply this research in Poland.

- 6.0 Develop Case Studies of Polish Entrepreneurs** - Throughout the project faculty members will be asked to identify local entrepreneurs and collect the stories of their formation and operation. These stories will be written as success stories to promote the concept of opportunity in Poland. They will be available in both English and Polish to facilitate understanding of U.S. consultants.

Case studies of these entrepreneurs will also be developed for classroom use identifying business choices that could be discussed in class. The finished cases and success stories will be tested during the first year and revised for publication and distribution to other university faculty.

CETE staff will supervise this activity and assist Solidarity staff in completing the materials for production.

- 7.0 Arrange Radio/TV Shows** - CETE staff will advise Solidarity staff on approaches to be used to promote the programs on Radio/TV shows. Solidarity already has TV program contacts and time available. Although CETE staff will be present as advisors in shooting TV coverage of entrepreneurs for videotapes, Solidarity staff will assume responsibility for this task.

- 8.0 Conduct Pilot Program** - The Management Center at the University of Gdansk will serve as the pilot site for the Entrepreneurship Institute program. The eight faculty members trained in the United States will give these courses to local adults who need assistance with their small businesses. There will be no charge to participants for this pilot course.

U.S. consultants will assist in teaching these courses. All parties will evaluate their success and revise as needed. CETE will supervise these courses and facilitate necessary changes and problem solving.

- 9.0 Train Management Center's Faculty** - CETE, Solidarity, and the eight leaders from the three Management Centers (2 each) will organize a train-the-trainer workshop to prepare fifteen other faculty from each of the three Management Centers to be able to run the program long-term.

This workshop will be conducted over a 4-week period with focus on each course separately as it is offered in the pilot program. Polish university faculty will be paid for their time to participate in the training as well as their time to teach the courses and seminars. CETE staff will provide oversight and problem solving for this train-the-trainer workshop. U.S. school of business consultants and Polish faculty leaders will run the workshop. Solidarity will facilitate operating details.

- 10.0 Offer Entrepreneurship Institute Program** - Solidarity will coordinate details of the three Management Center programs with assistance from CETE staff as needed. This will include planning the schedules, arranging for equipment/materials, and solving time problems for University faculty.

It is estimated that in the first year the eight leaders will need to be paid to spend full time on this project starting in July and the other 45 will need extra reimbursement above the normal ongoing pay to allow them to participate in all training and planning programs. This is in the budget for the Management Centers.

Solidarity will manage the budgets for faculty pay, Center administration, and program supplies/materials for each Management Center and report on expenditures to CETE for audit purposes.

CETE staff will be responsible to evaluate courses, materials, and program operations and coordinate necessary revision.

- 11.0 Offer Business Plan Seminars - The faculty at these three Management Centers will learn how to advise business owners on business plans and operating problems. This knowledge can then be translated into short seminars (6 hours each) on the necessary components of a business plan and ways to evaluate their potential. They will be given in February. These seminars would be especially useful for bank officers and government officials who are expected to help the market-driven economy succeed.

CETE will provide oversight and problem solving for these seminars. Solidarity will manage the budgets and coordinate details for the Management Centers who will provide the seminars. These seminars will cost participants enough to provide initial income to the Management Centers to continue the Entrepreneurship Institute program. A U.S. consultant will be available to assist these programs during their first program trial. CETE staff will evaluate these programs and make recommendations.

- 12.0 Conduct Polish National Conference - A national conference for Polish university faculty will be modeled after the U.S. National Entrepreneurship Education Forum, now in its ninth year. CETE staff will advise Solidarity and provide oversight in planning and running this conference in May, 1992. This will include identifying a site that will adequately hold 200 participants (probably in Warsaw), planning the program, promoting the conference, arranging for speakers, registering participants, obtaining PR, and coordinating site details.

A modest registration fee will be charged that can help to underwrite organization costs for the second year conference. Solidarity will manage the budget and report expenses to CETE for audit purposes. This project will cover the costs of participants' meals, hotel, materials, and speakers costs in the first year. After that, experience will enable Solidarity to estimate costs of continuing this activity and charge participants to cover these costs. In the first year our purpose is primarily to attract faculty members.

Each of these tasks are detailed with timelines and bench marks on the baseline management plan (see page 28-30).

Sustainability

The proposed project and its related activities have the particularly strong advantage of fitting in perfectly with the mission of our counterpart, Solidarity, and the three Management Centers. This proposal is planned to be established in a one-year time frame, but we recognize that it could be reinforced and made stronger with an additional year. If the second year funding is approved, we could train 45 more faculty, including young new graduates once the older faculty has been established. And we could ensure that our counterparts have sufficient expertise in conducting the courses, working with entrepreneurs, and running a national conference.

Institutional connections are already strongly established. In addition to working with already established organizations, the Task Force on Entrepreneurship Education in Poland will be challenged to find in-country support for the on-going development of market economics education. The high-level nature of this task force will be an important asset. They will meet four times per year and be encouraged to feel ownership for the program's long term goal and success.

The program is designed to be a Polish program with ownership vested in Solidarity and the Management Centers. The eight leaders from the Management Centers and the additional 45 instructors will be in control of what is taught, when, and to whom. As the program becomes successful, it can be replicated in other towns

where Solidarity is now developing additional university-based Management Centers. The American role is to provide them with high quality materials, adapted and translated, and to provide American expertise and advice. Our responsibility will be to ensure that Polish university faculty become competent in market economic education.

Financial support is planned on a cost-recovery basis in Poland after initial startup costs have been absorbed. The seminars for bankers and government officials should be especially able to provide on-going demand and adequate income to hire professors and needed resources. The courses for business owners will need to be economically priced because they are all struggling so hard now just to exist.

The national conference could be a money-making activity to attract educators from all parts of Poland. In the first year or two, it will be more important to build demand than make a profit. After that, it should be financially successful.

Materials developed for the project could be produced for sale to other universities as an additional source of income and spread of information. At present, there is virtually nothing available in bookstores about private business concepts and no Polish entrepreneurship textbooks. Ours would be among the very first and therefore highly marketable themselves.

We estimate that cost recovery efforts could be in place as follows:

- o Management Center Courses - Spring, 1992
- o Polish Curriculum Materials Available for Sale - Spring, 1992
- o Seminars for Bankers/Government Officials - March, 1992
- o Polish Case Studies Available for Sale - Spring, 1992
- o National Entrepreneurship Conference - May, 1993

Other current costs that might not be considered part of the on-going responsibility of Solidarity and faculty of the Management Centers, and might therefore need special extra funding in Year II include:

- o Polish faculty visits to the U.S. (might apply for German Marshall Funds for this)
- o More videos and case studies on Polish entrepreneurship
- o Additions to their libraries of books and magazines needed for the classes
- o Regular meetings of the national task force
- o Upkeep on classrooms and equipment
- o TV coverage
- o Additional faculty
- o Satellite seminars from U.S. business schools

The most critical part of this sustainability will be the success of the program and Solidarity's resulting commitment for responsibility to see that the program continues.

Solidarnosc Plan of Action
(Subgrantee to The Ohio State University)

The program to develop Entrepreneurship Education Institutes in three university-based Management Centers in Poland will be coordinated by the Economic Foundation of Solidarity (Solidarnosc) as subgrantee to the project to be conducted by the Center on Education and Training for Employment at The Ohio State University.

Activities

Solidarity will hire two full-time staff members to work with OSU staff and the three Management Centers. Budget management and supervision will be provided by the Education Director of the Foundation at no charge to the project.

Solidarity will obtain all approvals for the program to be implemented in the three Management Centers and identify the appropriate Polish representatives for the Entrepreneurship Education Task Force.

Staff members at Solidarity will work with OSU staff to translate and prepare materials, work on success stories and TV production, and coordinate the visits of American counterparts in June, 1991, November, February and May, 1992.

Staff members will take responsibility for organizing details of the National Conference with advice from American counterparts. Staff members will order materials and equipment needed for sites with agreement from American counterparts.

All budgeted expenditures will be substantiated with appropriate receipts or invoice copies provided upon request by OSU.

Organization

The Economic Foundation of Solidarity was founded by the Solidarity Trade Union to take care of social problems of economic change in Poland. The general director is Julian Skelnik and the Education Director who will provide oversight for this project is Miroslaw Mironowicz. The Board of the Foundation which is set up by Solidarity includes such people as Jacek Merkel (Member of Parliament), Andrzej Romaszewski (Senator), Krzysztof Zabinski (Member of Parliament), and other well-known trade leaders and activists. Other staff members who may assist from time to time include:

- o Wiktor Kaminski
- o Piotr Swiderski
- o Dagmara Topolewicz
- o Alicia Unterschuetz
- o Jerzy Majewski

Directors of the three Management Centers are:

- o University of Gdansk - Dr. Maciej Rydel
- o University of Poznan - Prof. Zdzislaw Fafara
- o University of Rzeszow - Dr. Stefan Czech

The two full-time staff members to be hired should be fluent in English and have writing and organizational skills. At least one should have word processing skills on the IBM computer and other office skills.

Beneficiaries

Solidarity and the Management Centers will benefit very much from this important assistance in bringing market-economic education to Poland. In our opinion, this project will have national significance.

Implementation Plan

During the first year, we will assist OSU staff in the following activities: (see Project BLMP for details; pp. 28-31).

- 1.0 **Coordinate program** - Solidarity will work with OSU to plan the program details and gain necessary approvals in Poland.
- 2.0 **Identify available materials** - Solidarity will assist OSU in identifying available curriculum and completing translation and preparation of materials for courses and workshops.
- 3.0 **Plan Entrepreneurship Institute** - Solidarity will coordinate trips to three sites and arrange necessary schedules and interpreters.
- 4.0 **Establish Task Force on Market Economic Education** - Solidarity will serve on the task force and help identify appropriate others.
- 5.0 **Polish scholars Visit U.S. Schools** - Solidarity will arrange international air flights for eight scholars and coordinate details of the trip with the selected faculty from the Management Centers.
- 6.0 **Develop Case Studies of Polish Entrepreneurs** - Solidarity will assist OSU staff and Management Center faculty in locating appropriate entrepreneurs and preparing the scripts for publication.
- 7.0 **Arrange Radio/TV Shows** - Solidarity will identify appropriate media and arrange schedules for programs on local entrepreneurs and the Entrepreneurship Institutes. Staff will identify videotape production companies and supervise production of the finished tapes.
- 8.0 **Conduct Pilot Program** - Solidarity staff will provide assistance to this activity as needed, including coordinating activities with OSU counterparts, and U.S. consultants.
- 9.0 **Train Management Center Faculty** - Solidarity staff will assist in the organization of this workshop including production of materials and coordination of guest itinerary.
- 10.0 **Offer Entrepreneurship Institute Programs** - Solidarity staff will coordinate activities necessary between the three sites and provide course materials as appropriate. Staff will coordinate the schedules for American counterparts. Solidarity will manage the budgets for the three Management Centers including pay for faculty and purchase of needed supplies and equipment for classes.
- 11.0 **Offer Business Plan Seminars** - Solidarity staff will translate and produce materials and coordinate activities between Management Centers giving the seminars.
- 12.0 **Conduct Polish National Conference** - With advice and support from American counterparts, Solidarity staff will plan, organize, and conduct a conference for Polish university faculty nationwide.

Sustainability

This Entrepreneurship Institute Program should be easily sustainable in Poland because of the great interest we have in building a strong small business economy. The Management Centers and Solidarity are established organizations that can carry the program forward in the future after learning all possible from American counterparts.

We would hope for a second year project to enhance the activities of the first year and train an additional 50 faculty members from the same or other universities.

Financially, the task force will seek innovative ways to make the program on-going and self-sufficient. It is expected that we would charge a modest sum to participants in the courses to cover our long-term costs. The national conference and local seminars would be self supporting in future years.

(Note: See Appendix for Solidarity agreement).

Program Management

The Entrepreneurship Program of the Center on Education and Training for Employment (CETE) at The Ohio State University will have responsibility for managing this project in the United States and supervising the activities of Solidarity and the three Management Centers in Poland.

A total of 112.2 person months have been planned for the first year for staff activity. Of this, 28 person months are from Solidarity staff, 13 person months are from experts in business management education from the United States, and 9 person months are for business management of the program in the United States.

In addition, funding has been provided for contracted staff as needed for translation and interpretation services, and for payment of Polish faculty to attend training workshops, teach courses, and conduct seminars in Poland.

Specific roles of each person involved in the proposal are as follows (vita for key staff are in the Appendix):

CETE Staff

Dr. M. Catherine Ashmore will serve as project director and coordinator of all activities in the United States and Poland. Dr. Ashmore will devote 8.4 months to the project of which 50 percent will be in Poland.

Dr. Gary Grossman will serve as facilitator of university faculty training and the pilot program in cooperation with staff in Poland and the eight Polish scholars who will do the actual teaching. He will devote 6 months to the project of which 80 percent will be in Poland.

Sandy Pritz will serve as coordinator of curriculum choice, adaptation and translation in the United States and Poland. She will devote 6 months to the project of which 40 percent will be in Poland.

Karen Kramer will coordinate the development of Polish entrepreneur case studies and the development of video tapes in Poland. She will also assist our Polish counterparts in conducting a national conference. She will spend 9 months of which 80 percent will be in Poland.

Piotr Korynski will assist in the selection, adaptation and translation of the curriculum and training materials and provide Polish language expertise as well as entrepreneurship training experience. He will spend 9 months on the project, of which 20 percent will be in Poland.

A business office staff member will provide accounting and record management services for the project. They will work with Solidarity to ensure appropriate budget management. He/she will spend 3 months on the project of which none will be in Poland.

A clerical staff member will provide clerical support services to the project including typing new and revised curriculum and handling travel and other organizational details for the project. He/she will spend 100 percent of the year on this project, none of which will be in Poland.

A clerical staff member will provide clerical support for project staff activities for a total of 6 months, none of which will be in Poland.

A clerical staff member will provide clerical support for the business operations related to the project including project records and interaction with those keeping records in Solidarity. He/she will spend 6 months on the project, none of which will be in Poland.

PERSONNEL ASSIGNMENTS

	<u>1.0</u> Mgmt.	<u>2.0</u> Curric.	<u>3.0</u> Mgmt. Ctrs.	<u>4.0</u> Task Force	<u>5.0</u> U.S. Visit	<u>6.0</u> Entrep. Cases	<u>7.0</u> Videos/ Promo.	<u>8.0</u> Pilot	<u>9.0</u> Train the Trnr.	<u>10.0</u> Classes	<u>11.0</u> Seminrs.	<u>12.0</u> Natl. Conf.
C. Ashmore 168 days .7 FTE	24	12	12	6	24	12	12	24	12	12	12	18
G. Grossman 120 days .5 FTE		6			6			24	24	24	24	12
S. Pritz 120 days .5 FTE		60	12		24			6	6			12
K. Kramer 180 days .75 FTE		24				72	36	9	9		18	12
P. Korynski 180 days .75 FTE		108	12		36	12						12
Clerical Staff 240 days 1.0 FTE	60	120			24			12		12		12
Clerical Staff 120 days .5 days		60				36			12		12	
Clerical Staff 120 days .5 FTE	120											
Business Office 60 days	60											

PERSONNEL ASSIGNMENTS--Continued

	<u>1.0</u> Mgmt.	<u>2.0</u> Curric.	<u>3.0</u> Mgmt. Ctrs.	<u>4.0</u> Task Force	<u>5.0</u> U.S. Visit	<u>6.0</u> Entrep. Cases	<u>7.0</u> Videos/ Promo.	<u>8.0</u> Pilot	<u>9.0</u> Train the Trnr.	<u>10.0</u> Classes	<u>11.0</u> Seminrs.	<u>12.0</u> Natl. Conf.
Miroslaw Mironowicz 70 days (No charge)	20		5	10				5	5	5	5	15
Polish Staff (1) 240 days 1.0 FTE	24	60	12	12	12			12	12	12	12	72
Polish Staff (2) 240 days 1.0 FTE	24	48				96	48					24
Gomolka 45 days .20 FTE		3	3		5			10	10	6	6	5
Hills 48 days .20 FTE		3	3		5			10	10	6	6	5
Neeley 48 days .20 FTR		3	3		5			10	10	6	6	5
R. Terminello 120 days .50 FTE		30	12	6	12			12	12	12	12	12
M. Monacott 120 days .5 FTE		60			30			6	24			
Total Staff Days 2256	332	597	74	34	183	228	96	140	146	95	113	218
Total Months	---	---	---	---	---	---	---	---	---	---	---	---
% in U.S.	20%	40%	2%	2%	98%	10%	10%	10%	10%	10%	10%	112.8
% in Poland	80%	60%	98%	98%	2%	90%	90%	90%	90%	90%	90%	90%

Special Business Education Consultants

Gene Gomolka will spend 2½ months on the program as a technical consultant on management courses. This will involve all but five days in Poland.

Gerry Hills will spend 2½ months on the program as a technical consultant on marketing courses. This will involve all but five days in Poland. Randy Rollinson of the Center for Enterprise Development at the University of Illinois will assist Dr. Hills in his consultancy for the project. He is particularly interested in developing a satellite transmission component that could be used to "bring" U.S. business school experts to the National Conference in Poland in May, 1992. This concept could then be expanded in a second year to the Management Centers.

Lynn Neeley will spend 2½ months on the program as a technical consultant on finance courses. This will involve all but five days in Poland.

Rodney Terminello will spend 6 months on the program assisting staff in Poland to develop expertise in business consulting. He will coordinate special activities with the three Management Centers in Poland and spend 60 percent of his time there.

Michael Wonacott will serve as an assistant in the selection, adaptation and translation of the curriculum for a total of 6 months of which 25 percent will be in Poland.

Solidarity Staff

Mirosław Mironowicz, Solidarity Economic Foundation Education Director will provide on-site management as a contribution to the project. He will spend all his time in Poland and supervise 2 full-time staff members on the project.

Staff Member #1 will provide clerical assistance to all activities of the subgrant and assist American counterparts when in Poland. This person will spend 12 months on the project, all in Poland.

Staff Member #2 will provide leadership in developing the Polish case studies, TV shows and videos and organize the national conference, all in Poland.

Management

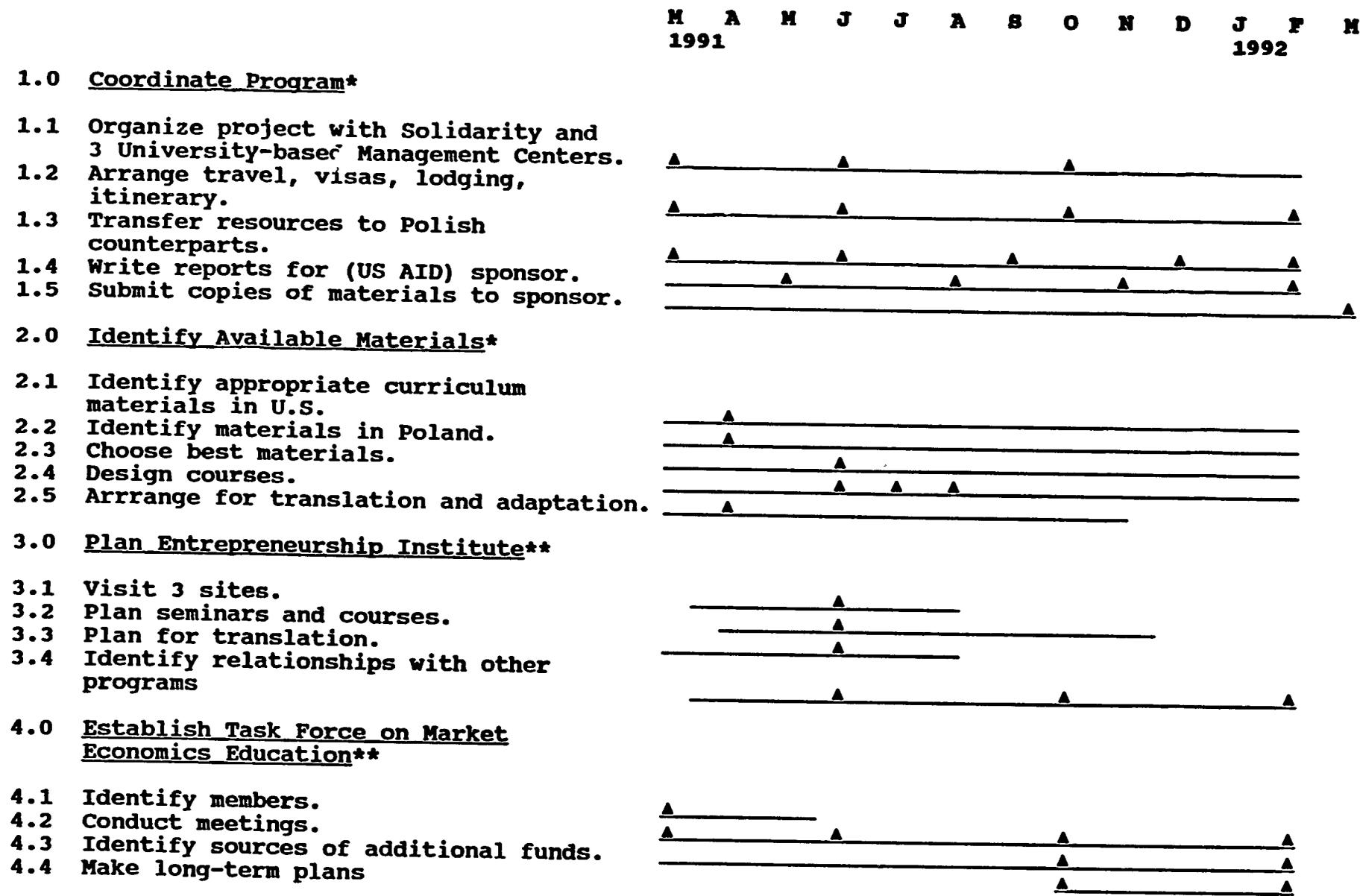
Management responsibility will be under the Center on Education and Training for Employment's Entrepreneurship Program. Business functions will be the responsibility of CETE's business office with managerial oversight from the Ohio State University Research Foundation (OSURF). The OSURF Project Administrative Guide will provide detailed project management guidelines.

In Poland, the Solidarity Economic Foundation (the business development area of the union), will provide management of the subgrant funds, activities, and provide contacts with all necessary groups in the country. They have served as our counterpart with the U.S. Department of Labor project with excellent results.

"Solidarnosc" is a member of each of the foundations for the three Management Centers originally funded by the Know-How Project of the British Council. Solidarity's Education Director has agreed to provide necessary contacts and coordination with each Management Center. This project will provide funds to hire two Polish staff members in Solidarity's office. All other administrative costs will be provided as a match by Solidarity.

The only new relationship for our organization is with two of the three Management Centers. We are currently working closely with the University of Gdansk Management Center and have been assured that all three will be happy to have this project.

**BASELINE MANAGEMENT PLAN:
Entrepreneurship Institutes in Poland Project**

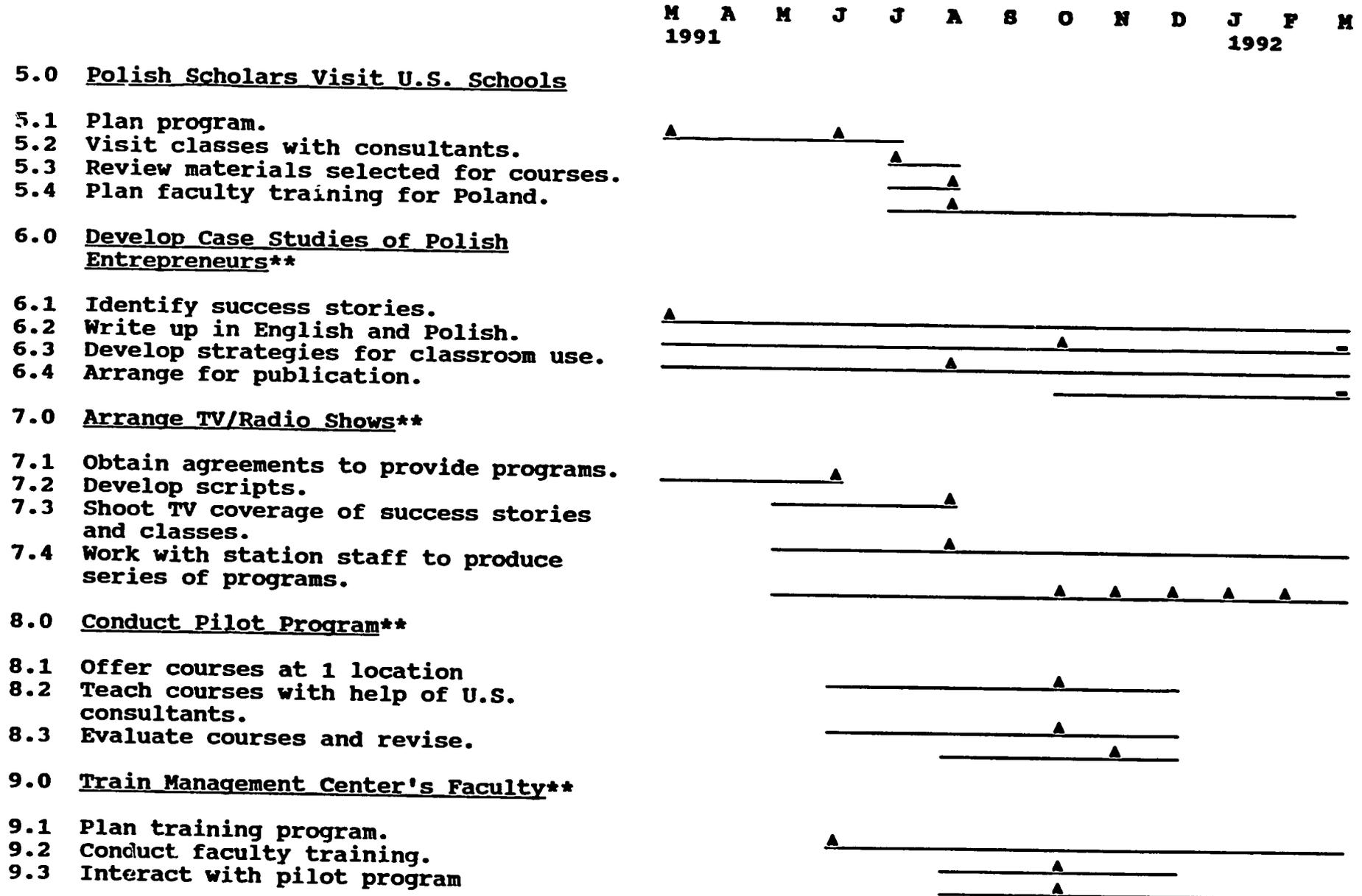


* Partially in the U.S.

** Totally in Poland

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**BASELINE MANAGEMENT PLAN:
Entrepreneurship Institutes in Poland Project--Continued**



The three directors of the Polish university-based Management Centers will be responsible for the courses, finding faculty, and coordinating visits by American technical experts. Each Management Center will be staffed by a secretary to organize clerical details for the program.

Implementation Plan

The proposed activities of the project are outlined in the Baseline Management Plan on pages 28-30. Those activities to be wholly done in Poland are marked with 2 asterisks (**). Those to be done in both the U.S. and Poland have one asterisk (*). Program Constraints

The key, critical developments that must take place and our plans to ensure that they do so are as follows:

1. **Agreement from two Management Centers to participate.** We have been assured by Solidarity that this will be no problem. We believe we are contributing sufficient resources to each of them to enable the Centers to add Entrepreneurship Institutes with no problem. As soon as we are awarded the grant, we will gain these approvals in writing. Since Solidarity is a member of each Management Center board of directors, we foresee no problems.
2. **Participation of key government leaders in the Task Force.** Again, Solidarity is in the right position to help us do this, and have agreed to it as part of their subgrant. We anticipate that we will be able to attract more task force members than we can ever use.
3. **Participation of 45 university faculty members from the Economic Department.** This may be the most difficult part of the project because these are the people we wish to make long term impact on and who are not very interested in new teaching ideas. Because they will be asked to teach in a different environment and paid well for their time, we believe we will be able to find 15 applicants for each Center. And, we believe that Solidarity will have a special impact for attracting faculty to the project.

Program Financial Plan

This project features a combination of expenditures for U.S. and Polish staff. The majority of the activities take place in Poland. Solidarity and the five university-based Management Centers will be funded by the project to cover specific staff and faculty, supplies, equipment, and contracted expenses.

The Solidarity Economic Foundation will provide budget management and project supervision by the Education Director at no charge to the project. Also provided as a match will be the use of their offices, meeting rooms, phones, copy machine, computer, laser printer, fax machine, and miscellaneous people resources as needed. The only costs covered by this proposal for Solidarity will be two new staff persons and contracted project activities. In addition Solidarity will provide access to their TV programs at no cost and connections with all their networks in Poland.

The three university-based Management Centers will provide classrooms for the courses, existing equipment, office space, administrative time, program promotion, and sleeping rooms for some of the U.S. guests at no charge. The only contribution to the Management Centers from project costs will be the salaries of 45 university faculty, three secretaries, and new supplies and equipment for the program. Specific equipment to be purchased for use in Poland includes the following for each Management Center (subject to actual costs at time of purchase).

- o VCRs and Monitors
- o Video recording equipment
- o Overhead projectors
- o Slide projectors
- o IBM-type computer/modem
- o Laser printer

Supplies include transparency masters, video tapes, computer disks, office supplies, and paper for xerox printers, computers, and student use. Copying of materials will be a major cost in the Management Centers.

Ohio State University will contribute tuition reimbursement for two Ph.D. graduate assistants for four quarters. The National Business Association will contribute three separate computer software programs for business development and accounting that they have developed for use in the United States. We have been given approval to have these adapted for use in Poland at no charge. In addition, Houghton Mifflin has given us verbal approval to use their economics text at no extra charge when it becomes available from Solidarity in Poland. These two products and the already translated *PACE* and *Beyond A Dream* (DOL Project) can be an important part of this project and we have partially used them as part of our in-kind match.

Categorical budgets have been developed using the AID suggested cost format. These budgets were developed using standard CETE/OSURF budgeting procedures and government travel rates. We will request quarterly financial reports from subgrantee in Poland and maintain weekly telephone contacts. Solidarity will provide reports on cost-sharing from their subgrant. The Ohio State University Research Foundation will provide financial reports. Programmatic reports will be provided by project staff as outlined in the Monitoring and Evaluation section of the technical proposal.

Monitoring and Evaluation

Project staff at CETE will be responsible for monitoring and evaluation of all activities of the project. Since a majority of the delivery of market economics education will be provided by Polish counterparts, we feel it is appropriate that their work and that of U.S. consultants be monitored and evaluated by the primary project staff.

CETE staff will work with the U.S. AID Project office to assist in monitoring the program. It is understood that AID will not have sufficient staff to evaluate all phases of this project and that CETE will provide sufficient evidence of its results prior to continuation in Year II. AID staff will be welcome to participate in any activities of the project.

Regular weekly phone calls as well as carefully planned activities by both project and subgrantee staff will ensure effective implementation of this project. Evaluations by participants will be summarized for inclusion in regular reports.

Initial Work Plan

The implementation plan for the first year of the project will be finalized during the first month of the project and submitted to the sponsor for review. It will indicate the timing by month of all components of the program and the responsible organization and/or individual for each subcomponent or activity.

Quarterly Reports

Five copies of quarterly program performance reports will be submitted to the sponsor and the AID Affairs Officer at the Embassy or AID representative in Poland. These reports shall briefly present the following:

1. Implementation status as compared to status in the Initial Work Plan. The findings from evaluation of activities will be reported and quantitative data provided as indicated in the discussion of outputs. Cost data will be referenced when appropriate.
2. Reasons why established goals were not met, if applicable, and any problems or difficulties requiring attention of the U.S. government or the host country.
3. Summary financial report as agreed on by the OSU Research Foundation.
4. Other pertinent information including, when appropriate, explanations of cost overruns or high unit costs.

Special Reports

If occasions arise where there is significant impact on the program, AID will be notified immediately. Such items may include:

1. Problems, delays, or adverse conditions that will prevent the meeting of time schedules and goals and a statement about action taken or proposed.
2. Favorable developments or events that improve the outputs or timelines of the project.
3. A request for budget revision if project performance reviews indicates a need.

Quarterly Updates on the Initial Work Plan

This update will identify proposed modification of annual work plans and travel projected for the subsequent quarter.

Annual Report

The annual report will be submitted to both ENE/EUR, A.I.D., Washington, and the AID representative in Poland. The report will provide a substantive review of planned activities, the number of people trained or involved, and the qualitative evaluation of participants. Courses, train-the-trainer workshops and the national conference will provide particular opportunity for qualitative analysis. The report will include an executive summary describing success and failures, a review of all grant activities, significance of these activities, comments and recommendations, and a fiscal report describing use of grant funds.

Technical Proposal Evaluation Criteria

The justification for assigning points on this proposal is as follows:

30 Points

Immediate and Visible Impact: This program is designed to reach three major universities situated geographically throughout Poland and 45 Economics School faculty with a quality train-the-trainer program provided in Polish. The project takes major advantage of existing materials and networks of university-based leadership in Poland and the United States.

The support of Solidarity and the spinoff activities, including TV coverage and a national conference for university professors, will add much to the impact.

The quality of the program will be further enhanced by the outstanding expertise of the American business school consultants and their specific experience in the small business field and involvement in international development. The program will make special use of Polish counterparts to ensure cultural relevance and appropriate program design. CETE experience with previous train-the-trainer projects in Poland will enhance our ability to make such immediate and visible impact.

30 Points

Sustainability: This project has special advantages in sustainability because of established linkages to Solidarity with its national leadership networks. The three Management Centers will receive ample resources to establish the Entrepreneurship Institutes as an ongoing program. The National Conference will provide opportunities for major visibility between universities and make linkages to U.S. business faculty. The visit of eight Polish university leaders to the U.S. for six weeks will provide many university-to-university linkages. And, the national task force on entrepreneurship education will take leadership in finding resources for sustainability.

30 Points

Cost Effectiveness: The proposal has been designed to make the maximum use of existing networks and facilities in Poland with a major part of the budget actually managed by Solidarity as the subgrantee. Existing Management Centers set up with British Council funds will be used for delivery and faculty from the universities in Poland will be paid to provide the training after receiving adequate train-the-trainer experiences in Poland and the United States. Both faculty and students will receive training in Poland through this project. And, bankers and government officials will also receive training. It is planned to become a cost-recovery program with in-country support only after one or two years of American support.