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U. S. AID MISSION TO DOMINICAN REPUBLIC

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

Ing. José del Carmen Ariza
President
National Council of Businessmen
Ave. Abraham Lincoln
Santo Domingo, D.R.

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

Dear Ing. Ariza:

Subject: AID Grant No. 517-0216
Development Training
Grant Agreement Amendment No. 4

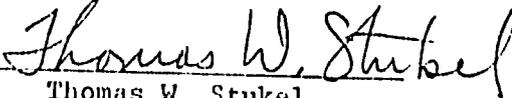
This letter, when signed by you to indicate your acceptance, will constitute Amendment No. 4 to the subject Grant, increasing it by Three Million Eight Hundred Thousand U.S. Dollars (US\$3,800,000) for a total Grant of Ten Million Eight Hundred Thousand U.S. Dollars (US\$10,800,000). It also obligates an additional Nine Hundred Thousand United States Dollars (US \$900,000) for a new total in obligated funding of Six Million Four Hundred Thousand United States Dollars (US \$6,400,000). These funds are to be used for the implementation of project activities described in Attachment No. 2 to this Amendment. Subject to their availability, additional funds will be added later.

Except as expressly modified herein, all other terms and conditions of the original Grant Agreement, dated August 5, 1986 and its Amendments Nos. 1, 2 and 3, dated September 11, 1986; February 23, 1987; and April 29, 1988; respectively, remain unchanged.

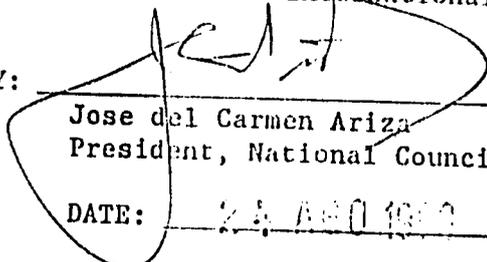
The Schedule (Attachment 1), is hereby amended to reflect changes in program funding and the grant period. Also, an amended program description (Attachment 2) is being supplemented to the previous program description.

Please sign the two originals of this Amendment No. 4 in English and Spanish, and return to A.I.D. one set of originals to acknowledge your receipt and acceptance of the conditions under which these funds have been granted. In the event of ambiguity, the English language Grant Agreement controls.


Paul D. Taylor
Ambassador of
the United States


Thomas W. Stukel
Director, Agency for
International Development

ACCEPTED BY:


Jose del Carmen Ariza
President, National Council of Businessmen
DATE: 25 AUG 1988

- Attachments: 1. Schedule
2. Program Description

SCHEDULEA. Purpose of Grant

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

B. Period of the Grant Amendment

1. The effective date of this grant amendment is August 24, 1988. The Project Assistance Completion Date (PACD) of this grant will be extended for a period of three years to August 24, 1994.

2. Funds obligated hereunder are available for program expenditures for the estimated period August 24, 1988 through FY 89 and beyond, as necessary, and as shown in the financial plan below.

C. Amount of Grant Amendment and Payment

1. The total estimated amount of this Grant Amendment for the period shown in B.1 above is \$3,800,000 from the new authorization and \$1,500,000 remaining from the original authorization.

2. A.I.D. hereby obligates the amount of \$900,000 for program expenditures during the period set forth in B.2 above and as shown in the Financial Plan below.

3. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3, "Standard Provisions".

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

D. Financial Plan

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

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

National Council of Businessmen (CNHE)
SUMMARY FINANCIAL PLAN (PROJECT SUPPLEMENT)
BY SOURCE AND USE OF FUNDS
(In US\$ 000's)

USE OF FUNDS	SOURCE OF FUNDS				
	FX	AID L.C.	Total	HC	Total
1. TRAINING					
Long-Term	799	0	799	0	799
Short-Term	551	0	551	0	551
In-Country	845	130	975	0	975
English (ELT)	60	0	60	40	100
Air Fare/Salaries/ Training Fee	0	0	0	1,000	1,000
Sub-Total	2,255	130	2,385	1,040	3,425
2. ADMINISTRATIVE COSTS					
U.S. Inst. Contractor	1,000	0	1,000	0	1,000
CNHE	0	100	100	450	550
A.I.D. - PSC	200	25	225	0	225
Sub-Total	1,200	125	1,325	450	1,775
3. COMMODITIES					
	40	0	40	0	40
4. EVALUATIONS/SURVEYS/ AUDITS					
	50	0	50	115	165
TOTAL	3,545	255	3,800	1,605	5,405

(Doc 8560A, p.3)

National Council of Businessmen (CNHE)
SUMMARY FINANCIAL PLAN (TOTAL PROJECT)
BY SOURCE AND USE OF FUNDS
(In US\$ 000's)

USE OF FUNDS	SOURCE OF FUNDS				
	<u>FX</u>	AID <u>L.C.</u>	<u>Total</u>	<u>HC</u>	<u>Total</u>
1. TRAINING					
Long-Term	3,985	0	3,985	0	3,985
Short-Term	2,383	0	2,383	0	2,383
In-Country	845	130	975	0	975
English (ELT)	204	0	204	40	244
Partners of the Americas	300	0	300	0	300
Air Fare/Salaries/ Training Fee	0	0	0	3,100	3,100
Sub-Total	<u>7,717</u>	<u>130</u>	<u>7,847</u>	<u>3,140</u>	<u>10,987</u>
2. ADMINISTRATIVE COSTS					
U.S. Inst. Contractor	1,844	0	1,844	0	1,844
CNHE	0	509	509	753	1,262
A.I.D. - PSC	400	25	425	0	425
Sub-Total	<u>2,244</u>	<u>534</u>	<u>2,778</u>	<u>753</u>	<u>3,531</u>
3. COMMODITIES	40	0	40	0	40
4. EVALUATIONS/SURVEYS/ AUDITS	115	20	135	115	250
TOTAL	<u>10,116</u>	<u>684</u>	<u>10,800</u>	<u>4,008</u>	<u>14,808</u>

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E. Evaluation, Audits and Reporting

1. Evaluation/Audits

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

2. Reporting

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

F. Conditions Precedent

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

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

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

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

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

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

G. Authorized Geographic Code

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

H. Title to Property

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

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

PROGRAM DESCRIPTION

A. Project Goal and Purpose

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

The purpose of the proposed Project Amendment is to improve the efficiency and productivity of private firms and public and non-profit sector institutions supportive of USAID's strategy by providing training to Dominicans already employed (with CNIE responsible for all private sector training activities funded under the project). This will be achieved through the provision of U.S., third-country and in-country training in priority sectors of the economy.

The project amendment will have the following training outputs:

1. An estimated 16 private sector employees (99 life of project) trained in the U.S. at the Masters level.
2. An estimated 138 employees (510 life of project) in the private sector will be trained in the U.S. and third-countries in short courses and observational tours tailored to their particular technical needs.
3. Approximately 54 Training Programs will be provided for in-country training through seminars and workshops linked to Dominican Employees' specific on-the-job employment areas. Technical assistance using U.S. and third-country expertise will have been provided in-country with emphasis on the highest priority skills and professional qualifications.
4. An estimated 60 Dominicans will have received ELT at the ICDA, with approximately 25 being participants from other A.I.D. projects.

B. Project Components

1. Masters Degree Training

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

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

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

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

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

International banking, manufacturing methods, production assembly-line techniques, customs administration, data systems management, vocational-technical education, agribusiness exportation, agricultural production, industrial relations, statistics, advertising and sales promotion, engineering (related to industrial needs), export market entry strategies, free trade zone development, finance, health information systems, economics, hotel management, non-traditional crop production, quality control, technology for food processing, tourism, and women in the work force.

Approximately 265 trainees will participate in non-degree courses, seminars and observational tours in the U.S. and third-countries. To the extent possible, courses will be tailored to the requirements of the individual's job context. Standard courses will also be considered if they are relevant to the particular needs.

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

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

3. In-Country Training

Approximately 50 in-country workshops and seminars will be carried out to provide specialized technological and managerial training focusing on: 1) top-level management whose levels of responsibility are such that they cannot be released from their duties for the period of time normally required for overseas training; 2) mid-level managers, supervisors and technicians whose training needs can be provided more economically and effectively in an in-country training program; and 3) small business and micro-enterprises. Among the priority areas determined at this time for in-country training are:

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

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

4. English Language Training

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

It should be noted that in all training programs developed under the project an effort will be made to include a minimum of 25% participation by women. It is also expected that at least 10% of the participant training programs will take place at HBCU's.

C. Selection Process and Evaluation

1. Selection Criteria

The following will form the basic criteria for the selection of all private sector training participants funded under the project:

- a) Firms/Institutions supportive of USAID/DR priorities for export-orientation, agricultural diversification and/or promotion of private-sector led growth in the economy, and support of health and social services;
- b) Firms/Institutions willing to provide salary support and pay international travel costs of participants; and/or cover a fee for in-country training costs;
- c) Firms/Institutions in operation for at least one year prior to nomination of candidates;
- d) Firms/Institutions that have completed training plans which clearly demonstrate human resource constraints and needed training of personnel to address these constraints;
- e) Institutions not currently covered by a participant training component in another project, unless a clear need is demonstrated to the USAID Mission; and
- f) Firms/Institutions which nominate female candidates at a percentage at least equal to the number of females currently employed at professional and managerial levels.

2. Long-Term, Short-Term and In-Country Training.

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

The nomination of candidates for Masters and short-term training will be by various private sector organizations, member associations of the CNHE, small and medium business organizations, industries, and corporations.

A Committee will be established to review scholarship applications, screen finalists, and interview those applying for long-term training. The Committee, selected by CNHE, will be composed of representatives of collaborating organizations, and may include: four members of CNHE Board, one of which represents the American Chamber of Commerce; two small and medium size business/industry representatives; a representative from the university community and an ex-officio representative of A.I.D. Each participant selected by the Committee will receive a detailed letter stating the terms of the scholarship and will be required to sign a legally binding document that each will return to the place of employment in the Dominican Republic upon completion of the training.

The Committee will meet a minimum of four or five times per year, most likely in September, December, March, and June, to select both long- and short-term participants. In summary, the detailed responsibilities of the Selection Committee include:

- a) Receiving nominations from eligible private sector firms.
- b) Screening nominees, bearing in mind project requirements, and interviewing all long-term finalists.
- c) Selecting scholarship recipients.
- d) Assisting in the promotion and follow-up activities of the Project.

3. Evaluation and Follow-up

In order to measure the effectiveness of the individual training programs, as well as the significance of the overall training in the context of the Project goal, an evaluation and follow-up activity will be carried out. Each year a follow-up survey will be conducted to ensure that the demand analysis is accurate. The objectives of the activity will be to: 1) update the type, duration, and level of demand for training in the private sector; 2) discuss the factors that have influenced this level of demand; 3) review the level of support the private sector is willing to provide training participants; and 4) suggest any modifications.

The annual activity will also deal with post-training follow-up and will assess the impact, relevance and utilization of the training on the job performance. The follow-up activity will involve a survey of participants to gather information related to the satisfaction of the quality of the training program and how well it met the needs for which it was designed. This information will be valuable on a short-term basis for programming and recommending specific courses to firms and potential trainees. Based on this information and the individual enterprise training plans, an annual training plan will be developed.

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

D. Implementation Arrangements:

1. The National Council of Businessmen

Private sector training under the amended project will continue to be administered by the National Council of Businessmen (CNIE). The CNIE will be responsible for overall project management in coordination with the U.S. Contractor and USAID. However, its existing training responsibilities will be expanded to include more long- and short-term trainees in addition to a new in-country training component. The CNIE Project Manager will plan and manage all project activities which include, but are not limited to: promotion, recruitment, participant screening and selection, arranging for in-country training resources, monitoring, evaluation and follow-up. The staff of the existing CNIE project office will be increased by the addition of one local training assistant and one secretary to handle the increased administrative requirements of the new in-country training activity.

2. U.S. Contractor

The services of a U.S. contractor are required to assist the project management unit of CNIE in the selection, overseas placement and support for approximately 36 additional long-term academic participants and 265 additional short-term participants being added for private sector training under this amendment. Specific contractor responsibilities will include: selection and placement in the U.S. and third-countries of long-term and short-term participants in fields of studies related to project objectives; preparation of all required participant trainee documents; processing and payment of tuition, maintenance allowances and insurance premiums; ensuring that all participant records include a complete cost analysis in accordance with AID's Training Cost Analysis (TCA) procedures; responding to all routine telegrams, telexes, and letters pertaining to participants and coordinating their responses with AID when appropriate; preparing and executing a monitoring and evaluation plan acceptable to AID; ensuring that all trainees know that the training is sponsored by AID; and, providing sex-disaggregated data on participants and a strategy for promoting female participation in the training program.

In order to accomplish the above in a satisfactory manner, the contractor will assist CNHE to develop and implement a program that will include: counseling participants before and during training; preparing student progress reports at least two times a year; conducting a departure orientation within four weeks of completion of a training program; and, designing and implementing a system for participant follow-up. Individual exit interviews with participants will be arranged by the Contractor and a training questionnaire will be administered. In addition, follow-up visits and activities with a newly organized alumni association will be arranged. All tasks should be performed in accordance with AID Handbook 10.

In addition to the above requirements pertaining to U.S. and third-country training, the contractor will be responsible for the development and implementation of a system to finance and procure offshore technical assistance for the new in-country training component being added to the project, which is described in more detail in Section D.4 .

The project amendment's newly expanded contract services will be procured through open competition under a Mission-issued Request for Proposal (RFP). The RFP will require proposed contractors to submit their cost proposals in accordance with the Agency's new TCA procedures.

3. Mission Monitoring Plan

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

4. Implementation Arrangements for the New In-Country Training Component in the Private Sector.

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

- a) The respective Project Manager will attempt to locate an in-country training institution to organize and carry out the requested training.

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