



Office of Evaluation and Oversight, OVE
Inter-American Development Bank

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***Evaluation Report:
Action Plan for Group
C and D Countries***



Office of Evaluation and Oversight

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ABBREVIATIONS

FSO	Fund for Special Operations
ENC	National Training Entities
INEP	National Liaison Institutions for the Training Program
INT	Integration and Regional Programs Department
UE	Executing Unit for the Training Program

1

Introduction

A. Background and general objectives of the Action Plan

- 1.1 On March 10, 1997, the Board of Executive Directors approved funding of US\$16 million for a special program to improve the capacity of C and D¹ countries to make effective use of Bank financing. The ultimate purpose of this initiative was to help the Bank and these countries to achieve the financing goals established in the Bank's Seventh Replenishment Exercise.²

B. Specific objectives and description of the Plan

- 1.2 In accordance with the Board's resolution, funding under the Plan during 1997 and 1998 was allocated to the following activities:
- (i) **Special Fund for Project Identification and Execution**, for a total of US\$8million (US\$4 million from FSO net income and US\$4 million from the administrative budget). These resources are being used for short-term consultant services to strengthen the identification of new operations and support the execution of projects already approved.³ The Bank's offices in the 19 countries are responsible for administering these funds, which were allocated according to a formula established by the Board of Executive Directors (see Table A1, Annex A).
 - (ii) **Additional Funding for Project Preparation Services**, for a total of US\$4 million. These funds, drawn from the administrative budget, fall under the responsibility of the three Regional Operations Departments and are used by project teams to finance consultant services for the preparation of new

¹ Bahamas, Barbados, Belize, Bolivia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Suriname, Trinidad and Tobago, Uruguay.

² IDB-7 (Document AB-1703).

³ According to Action Plan specifications, regular Bank procurement and disbursement procedures are to be followed in using these funds, while financing priorities for the various activities are to be agreed between the Country Offices and the respective governments.

operations.⁴ The funds available for this purpose are allocated to the departments according to the number of C and D countries under the responsibility of each Operating Region.

- (iii) **Regional Training Program**, for a total of US\$4 million, provided from FSO net income. The objective of this program is to strengthen the capacity of executing agencies in C and D countries, by training staff involved in the preparation and implementation of projects financed by the Bank. The Board expressed particular interest in involving national institutions in these training activities. The training program was established as a regional technical cooperation project, under the responsibility of the Integration and Regional Programs Department (INT).

C. Sources of Funding

- 1.3 The US\$16 million earmarked for the Action Plan was fully allocated, on an equitable basis, over the two years of execution. Those funds were drawn from the following sources:

- Administrative budget: US\$8 million
- FSO net income for regional TC in convertible currency: US\$8 million

- 1.4 The following table provides an overview of the financing plan proposed for 1997 and 1998.

Table 1.1: Allocation of funds by source and area of activity (US\$000)

Activity	Total	Source	
		Administrative budget	FSO net income
Identification and execution	8,000	4,000	4,000
Training	4,000	--	4,000
Preparation	4,000	4,000	--
Total⁵	16,000⁵	8,000	8,000

Source: GN-1940-3, "Action Plan for Group C and D Countries. Final Version", March 7, 1997, Page 5.

⁴ GN-1940-2, Annex B, page 1.

⁵ It was originally envisioned that special contributions might be made to the Action Plan by non-borrowing member countries. No actual commitment from those countries was requested, however, and no contributions were received.

D. Objectives of the Evaluation

- 1.5 As part of the approval process for the 1999 budget, Management undertook to evaluate the first two years of execution (1997-1998) of the Action Plan, for the purpose of charting the future of the initiative. The Board of Executive Directors delegated this task to the Office of Evaluation and Supervision (OVE) with a mandate to examine the effectiveness of the execution mechanisms employed to achieve planned objectives. It should be noted that, due to the short time that has elapsed since the Plan was initiated, it has not been possible to assess the impact of its activities on the capacity of the 19 C and D countries to absorb Bank financing.

E. Methodology

- 1.6 This report is based on a review of activities carried out under the Action Plan. To help with data collection, interviews were conducted in a sample of six C and D countries. Those interviews were based on a specially prepared open opinion survey, and were conducted with: National Liaison Institutions for the Training Program (INEPs); executing agencies for Bank programs; National Training Entities (ENCs); the Bank's Country Offices; and the Regional Operations Departments. The questionnaire attempted to elicit views on selected aspects of experience in implementing the Action Plan. These included: the effectiveness of the Plan in achieving its objectives; mechanisms for selecting priority activities; and transparency with respect to the availability and use of funds (see Annex C). In addition, information meetings were held with Headquarters staff involved in administering and executing the Action Plan, and available information on progress and implementation of the Plan was reviewed.
- 1.7 It should be noted that the statements presented in Annex C do not identify individuals or countries, and the responses to each question are shown in random order. The reason for this is to maintain the confidentiality of information provided by the persons and agencies interviewed.
- 1.8 **Country selection criteria.** Cases were selected for analysis on the basis of three factors: location, category (C/D); and the degree of progress in implementing the Plan.
- a. **Location.** Countries were selected so as to achieve a geographically representative sample.
 - b. **Category.** For each region selected, the intent was to include one country from each Group (C and D). In Central America, however, this rule had to be amended, in light of difficulties in coordinating the schedules of the Country Offices.

- c. **Degree of progress.** Finally, among the Groups chosen through these criteria, the countries with the greatest experience in using resources under the Plan were selected.
 - d. **Available time and resources** for conducting the work.
- 1.9 As a result of these criteria, a sample of six countries was selected, representing one-third of all cases: Barbados, Bolivia, El Salvador, Guatemala, Jamaica and Uruguay.

2

Execution of the Action Plan

A. General considerations

- 2.1 Consistent with the objectives outlined above, the three initiatives contained in the Action Plan were intended to: (i) strengthen the processes of new project identification and normal execution of the loan portfolio; (ii) support the Bank's project teams in preparing new operations, together with the borrowers; and (iii) provide training opportunities for the staff of executing agencies involved in Bank operations. The following analysis directs particular attention to the objectives under each of these initiatives, as a frame of reference for evaluating progress in achieving the goals indicated, during the Plan's two years of implementation. As will be seen, the major benefits that this initiative is producing, including fostering a smoother relationship between the Bank and its borrowers, offer a valuable opportunity for improving aspects that are key to the development impact of Bank assistance, in both qualitative and quantitative terms.

B. Performance analysis

- 2.2 The initial allocation of funds among the three components of the Action Plan for 1997-1998 is shown in the following table. As will be noted, disbursements under the three activities amounted to US\$12.7 million, or roughly 80 percent of the total available funding of US\$16 million.

Table 2.1. Action Plan – Resources budgeted and executed 1997-1998* (US\$000)

Component	Source	Allocation by department			Balance	Executed %
		Region	Approved	Used		
Special Fund for Project Identification and Execution	FSO + Adm.	RE1	1,191.3	740.5	450.8	62
		RE2	4,355.6	3,469.7	886.0	80
		RE3	2,488.4	1,883.8	604.6	76
		INT	--	--	--	--
		Total	8,035.4	6,094.0	1,941.4	76
Additional Funding for Project Preparation	Adm. Budget	RE1	632.0	528.0	104.0	84
		RE2	1,895.0	1,326.0	569.0	70
		RE3	1,474.0	1,243.0	231.0	84
		Total	4001.0	3,097.0	904.0	77
Training Program	FSO	INT	4,000	3,545.8**	454.0	89
Grand total			16,036.4	12,736.6	3,299.6	79

Note:

(*) The data on allocation of administrative resources for project identification and execution and for project preparation were provided by the regions.

(**) Data to 06/30/99.

2.3 **Special fund for project identification and execution.** The data from the above table show that, by the end of the second year of execution, Country Offices had managed to commit 76 percent of allocated funding in support of project identification and execution. The pace of utilization of available funding is explained in part by delays in launching the Plan, which became effective only towards the end of the first quarter of 1997. The table also highlights regional differences in the use of available resources. With 80 percent of funds committed, Region 2 was the best performer. Most of these resources were devoted, as in Region 3, to consultant services in support of new project identification. In the latter region, 76 percent of approved funding was utilized. Nevertheless, the thematic workshops, seminars and sector diagnoses conducted served to reinforce dialog between governments and the Bank in exploring the possibilities of financing new operations. For its part, Region 1 committed most of its funds to short-term consultant services for projects that were facing major execution delays, particularly in terms of procurement procedures and the contracting of goods and services, and in preparing the documentation required for disbursements. Those measures helped to overcome some serious bottlenecks in the Bank's portfolio, and gave borrowers a better understanding of Bank policies. This in turn simplified the work of the Country Office specialists, and reduced the time that they had to devote to resolving unanticipated problems in the capacity of the executing agencies to administer the operations.

2.4 In all cases, the funds available for this component served to intensify portfolio management activities and at the same time to take better advantage of opportunities for establishing agreements between the Bank and the authorities, beyond the scope of the loan negotiations. It is important to note, however, that expanded efforts to broaden the Bank's loan portfolio may increase existing pressures for measures to strengthen the Country Offices. This prospect becomes

even more clear when it is recalled that some of the execution problems identified with certain projects originated in human resource limitations at the Country Offices.

- 2.5 It must be recognized, nevertheless, that funds available during the period under consideration were not fully utilized. This could reflect the delayed start-up of the Plan, which became effective only toward the end of the first quarter of 1997. Also, since undisbursed funds could be carried over to the following year, managers and Country Offices alike were free to select the most opportune time for committing available funds without the usual pressures to do so before the end of the fiscal year.
- 2.6 **Additional funding for project preparation services.** The figures in the preceding table show that Headquarters performance was similar to that of the Country Offices with respect to the overall use of funds. Region 1 and Region 3, however, recorded a higher level of activity than that for the Country Offices. This would seem to indicate that Headquarters was in a relatively better position than the Country Offices to use the available funds during the period under consideration. In part, this may point to the need for further consideration of mechanisms to achieve greater efficiency in the allocation and use of funds under the Action Plan.
- 2.7 With respect to additionality of these funds, over and above the project preparation budgets of the three Regional Operations Departments, the figures in Table 2.2 show a positive effect.

Table 4. Additionality: total administrative resources used in consultant services/C and D funds-1997/1998 (US\$000)

Funds from the regular admin. budget				C&D Plan funds			Total funds approved	Total funds utilized	
Country group	Approved (1)	Utilized		Approved (3)	Utilized		(1)+(3)	(2)+(4)	%
		(2)	%		(4)	%			
Region 1									
A/B		5,582.1						5,582.1	
C/D		1,762.8		632	528	84		2,290.8	
Total	8,956.2	7,344.9	82	632	528		9,588.2	7,872.9	82
Region 2									
A/B		1,053.4						1,053.4	
C/D		7,049.8		1,895	1,326	70		8,375.8	
Total	7,913.8	8,103.2	102	1,895	1,326		9,808.8	9,429.2	96
Region 3									
A/B		5,074.5						5,074.5	
C/D		4,351.3		1,474	1,243	84		5,594.3	
Total	8,672.8	9,425.8	109	1,474	1,243		10,146.9	10,668.8	105
	25,542.8	24,873.9	97	4,001	3,097	77	28,543.9	27,970.9	98

1/ Includes HQ and COFs.

Source: Budget Office.

2.8 Of the US\$25.5 million in administrative resources available within the regular departmental budgets for consultant services, virtually 100 percent (US\$24.8 million) was used, leaving a remainder of only US\$700,000. Expenditures under the Action Plan amounted to nearly 80 percent (US\$3.1 million) of the total amount allocated (US\$4 million). Consequently, the Plan represented additional resources of US\$2.4 million, over and above the regular administrative budget, for financing project preparation consultant services. In analyzing these results however, note must be made of certain procedural aspects that limited full use of resources under the Plan. Among these were the delayed start-up of the initiative; a lack of precision in the time limits and procedures for using these funds; and uncertainty as to the criteria for distinguishing between project identification and project preparation activities.

2.9 **Regional Training Program.** Since the program is intended to strengthen the capacity of Group C and D governments to prepare and execute projects financed by the Bank, there are several aspects relating to training activities financed by the Plan that must be taken into consideration. In designing the training program (administered by the Executing Unit under the direction of the Integration and Regional Programs Department, INT) special attention was paid to developing a self-sustaining training capacity in each country. This emphasis reflects the fact that needs within the region cannot be met over the short term alone. The high turnover rates in many government agencies, together with the expectation that new agencies will become involved with Bank projects as the Bank expands its activities into new sectors, means that training will have to be regarded as an ongoing process. In practice, the training program has focused on:

- Courses dealing with issues directly relevant to the execution of projects financed by the Bank (a core orientation course, courses on procurement, disbursements and auditing, logical framework, etc.). These courses were managed directly by the Executing Unit and were conducted by officers both from Headquarters and from the Country Offices, as well as by external consultants selected and hired as trainers by the UE. The courses were aimed primarily at personnel of the executing agencies.
 - Specialized courses, including environmental analysis, institutional analysis, microenterprise development, gender analysis, etc., and other issues relating to project preparation. To provide these courses the Executing Unit selected 32 national institutions in the 19 eligible countries. To-date, the training efforts have focused on preparing course instructors in these entities. The average length of the specialized courses is three days, and they are open to the general public as well as to government employees. All participants are expected to pay a tuition fee.
- 2.10 As noted in an evaluation report prepared by the UE,⁶ the training program's ultimate intent is to transfer responsibility for these courses – with the exception of those on procurement and disbursement – to the National Training Entities (ENCs). To this end, the emphasis over the last two years has been on identifying local institutions interested in offering such courses, and then on training their personnel by providing them with a general orientation on each issue and on the Bank's approach.

C. Effectiveness of the Plan

- 2.11 The following analysis examines the benefits and limitations of the Plan as it has been executed, bearing in mind its purpose, which was to strengthen the capacity of the Bank and of Group C and D countries to make effective use of Bank resources. The report summarizes the experience of several officers of the Bank and of the countries involved with respect to the goals proposed, the strategies employed to attain them, and the progress achieved under each of the Plan's activities.
- 2.12 **Special Fund for Project Identification and Execution.** Despite the great diversity among the countries visited, an analysis of information contained in Annex C reveals certain aspects common to the views of all officials interviewed, with respect to the initiative's impact. In the first place, the immediate availability of funding under the Plan has substantially increased the Bank's capacity to address unforeseen execution difficulties with existing projects, and to support the formulation of new operations. In the second place, the streamlined decision-making process under this mechanism has facilitated dialog with the countries

⁶ "Evaluation of the Training Program for Group C and D Countries", UE, July, 1999.

involved, and has helped borrowers to identify more closely with project objectives.

- 2.13 It is recognized, however, that several aspects of the Plan's administration could be improved, particularly with respect to greater clarity in the procedures governing allocation, availability and use of resources. While an analysis of the available documentation shows that the prerequisites for implementing the Plan were formulated and communicated in a transparent manner, shortcomings were noted in terms of: (i) providing timely instructions from Headquarters to the Country Offices with respect to the utilization period for funds drawn from the administrative budget; and (ii) clarity in interpreting rules for use of the resources. Also, uncertainty with respect to the future of the Plan led to some programming difficulties, both at Headquarters and in the Country Offices.
- 2.14 **Additional Funding for Project Preparation.** Officials and technical personnel interviewed at Headquarters stressed the importance and the potential of this initiative for improving the Bank's contribution to the formulation of new projects. At the same time, they noted that there is still a significant information gap in the operating divisions with respect to the availability of these funds and the criteria for using them. In addition, when it comes to procedures for allocating funds within each region, while in principle funds are transferred according to needs identified by the corresponding divisions (in contrast to a predetermined allocation by country), further effort would seem to be required to ensure transparency regarding the volume of funding available. This would help the divisions to administer their use. Furthermore, institutionalizing the Plan would allow for more effective management, both in terms of programming and of dissemination, by eliminating ambiguities in decision-making.
- 2.15 **Regional Training Program.** As of June 30, 1999, US\$3,545,820 had been committed out of the US\$4,000,00 approved for training activities. The training program budget covers three activities: the cost of basic courses for the personnel of executing agencies; the cost of preparing the ENC's to offer specialized courses (preparation of training modules for institutions and training of instructors); and the costs of the Executing Unit. Use of these funds is shown in table 2.3.

Table 2.3: Training Program, Budget 1997-June 1999
(in US\$)

Activity	Funds allocated	Funds committed	% of total*	Balance
Basic courses	1,950,000	2,187,596	49.5	0.0
Preparation of modules for training trainers	450,000	604,765	11.7	0.0
Training instructors	900,000	487,340	12.1	412,660
Coordination and evaluation	300,000	266,119	6.1	33,881
Contingencies	400,000	(392,361) ¹		7,639
Total	4,000,000	3,545,820	100	454,180

* Committed.

1/ The US\$400,000 allocated for contingencies was reassigned as follows: US\$237,596 for National Training Courses, and US\$154,000 for Training Modules. An amount of US\$7,639 therefore remains under contingencies.

Source: "Evaluation of the Training Program for Group C and D Countries". UE: July, 1999.

- 2.16 With these funds, a total of 185 courses were conducted, including basic courses for 5,064 participants and specialized courses for 1,894 participants; two of the 10 training courses for instructors were conducted;⁷ and four of the six modules for training trainers were completed (see: "Evaluation of the Training Program for Group C and D Countries", UE: July, 1999).
- 2.17 The average cost of each regional workshop for training instructors is about US\$50,000. A total of 20 such courses has been planned (10 in Spanish and 10 in English), which would imply a total cost of US\$1 million. The current budget for this activity is US\$900,000 (see Table 2.1, above). The UE, however, has indicated the need to transfer US\$250,000 from this item to increase financing for national courses.⁸ Consequently, there will be a sizable shortfall in the number of courses for training instructors.
- 2.18 The Executing Unit has devoted much effort to administering the training component of the Plan, and in particular has paid great attention to developing a permanent national training capacity in the 19 countries of Groups C and D. Some aspects of the training program deserve closer examination, however, particularly in terms of the sustainability objective:
- (i) In the first place, the training directed at project execution requirements (basic courses) is quite properly focused on issues of high priority for the executing agencies, and on the training needs identified by Country Office personnel. In fact, Action Plan funding has significantly increased activities aimed at the

⁷ Central Course (for Spanish-speaking countries, in December 1998); and Logical Framework (one for Spanish-speaking and one for English-speaking countries). See: "Evaluation of the Training Program for Group C and D Countries", UE, July, 1999.

⁸ "Evaluation of the Training Program for Group C and D Countries", UE, July, 1999.

personnel of these agencies, well beyond the previously rather sporadic efforts by Bank personnel, which were generally undertaken in conjunction with training programs for Country Office staff or programs conducted directly by Country Offices for their counterparts. As noted above, the basic courses provided under the Action Plan are organized by the Executing Unit and are generally conducted by Bank personnel. While the Executing Unit intends to transfer responsibility for some of these courses to the ENC's, the Bank will retain responsibility for two of the courses, on procurement and disbursement procedures. Consequently, it is important to ensure continuity for these topics in the future.

- (ii) A second question concerns how many of 32 institutions included under the program will be able to achieve self-sustainability - in other words, to what extent they will be able to retain over time the capacity to offer specialized courses (and the basic courses for which the ENC's will take over responsibility). The enrollment fee structure adopted by the ENC's for these courses is based on total cost recovery (an appropriate approach for ensuring sustainability). Nevertheless, this could prove to be a disincentive for governments, in light of budgetary constraints and the high turnover rate of personnel, unless these courses are perceived as highly relevant to the duties of the staff to be trained. In this respect it is important to note that, when it comes to preparing new projects for Bank financing (which is the principal purpose of the specialized courses), it is almost always the Bank's own project teams who do most of the analytical work for their design. Therefore, the prospect that people taking such training will be able to put it into regular practice on Bank projects is limited. Even if these people were able to participate in a substantive way in project preparation, the opportunities to do so would be severely restricted, since the number of operations approved for any one country over a year is low.
- (iii) A third element to consider is that the training to be offered by the ENC's will consist of courses averaging only three days in length. The value derived from courses of such short duration, dealing with complex issues such as institutional analysis, environmental analysis, etc., is questionable, especially given the limited opportunity that participants will have to put what they have learned into practice.
- (iv) An additional concern is the fact that a number of the ENC's, in their effort to attract students (courses are opened to people from the private sector as well as the public sector), are making liberal use of the Bank's name and symbol in their promotional literature and in the "diplomas" awarded to participants (see Annex B). In this way, advertisements and course descriptions may give the impression that the courses are in some way related to, if not supported by, the Bank, an impression that is to a certain degree correct. Nevertheless, the Bank will not be able in the future to guarantee the quality of the courses offered, and this could place the institution in a position of being associated with

programs that do not deliver what they promise. The dilemma here is that the need to ensure self-sustainability is encouraging the ENC's, in a sense, to trade upon the good name of the Bank.

3

Conclusions and Recommendations

A. Conclusions

3.1 A review of two years' execution experience under the Action Plan shows that, in its design, it has properly identified instruments for improving specific aspects of institutions' performance in terms of identifying, preparing and executing projects financed by the Bank. The funds provided under the Plan have in general been administered in an appropriate manner, consistent with the original purpose of the initiative. Thanks to the specific activities carried out, it has been possible to overcome some of the usual problems of project execution, while at the same time providing the Regional Operations Departments with sufficient funding to meet their analytical needs in preparing new projects. Similarly, it has made it possible to expand the amount of training provided to executing agency personnel. The Plan has also facilitated dialog with countries on the development of new loans. In general and by no means exhaustive terms, the benefits observed to date may be summarized as follows:

- (i) **Strengthening the ability of the Country Offices to cope with unforeseen problems in project execution.** This represents a major step in improving project performance.
- (ii) **Strengthening and promoting dialogue between the Bank and its borrowers with regard to future programs.** The availability of funding for new project identification studies, and the Plan's insistence that use of those funds be programmed jointly by the Country Office and the government, has played an important role in this regard.
- (iii) **Improving the Bank's image with borrowers and, in particular, with executing agencies, as a source of support for project execution.** The availability of Plan funds has allow the Country Offices to provide active and direct support to executing agencies in carrying out their operations. In this respect, the Plan has encouraged more systematic monitoring of performance by the executing agencies, and has promoted greater transparency in analyzing difficulties.

- (iv) **A significant increase in the training offered to the staff of institutions involved in projects financed by the Bank.** Training on issues relating to Bank project execution is an important mechanism for facilitating their implementation.
 - (v) **Identification of national institutions capable of providing training in each of the Group C and D countries.** The program has worked closely with these entities to prepare them to offer training on a sustainable basis.
- 3.2 The experience, nevertheless, has not been without its difficulties. The major obstacles, in terms of the project preparation and execution components, relate to a lack of familiarity with procedures for administering the funds, and uncertainty as to their future availability and the eligibility criteria for using them. Together with the short life-span of the Plan, this may explain to some extent why the available funding was only partially utilized.
- 3.3 With respect to the training program, there is a more complex set of factors affecting the program and its future. It is clear that executing unit personnel responsible for implementing Bank projects can perform their duties more effectively if they are familiar with the Bank's procedures and regulations. Training programs aimed at imparting such familiarity can be very effective in this respect since, with the great number of executing agencies in eligible countries and the rapid turnover of qualified personnel in many government institutions, the potential demand for training is high. In the past, the Bank has been able to offer training on an occasional basis, but it has never been in a position to take a systematic and programmed approach to training. The question of sustainability must therefore be addressed when assessing the training efforts financed by the Plan.
- 3.4 The Executing Unit is quite properly concerned with the issue of sustainability. Yet the strategy employed to this end may well make it more difficult to achieve that objective. This conclusion is based on a number of considerations:
- (i) The inclusion of so-called "specialized courses" in the program has broadened the number of courses offered, well beyond those that form the central nucleus of issues related directly to project execution (the basic courses). As they have been designed, the specialized courses will be offered by national institutions, and a significant portion of Action Plan funding will be devoted to preparing the ENC's to give those courses. These institutions must now market these courses, and must charge sufficient enrollment fees to cover direct costs and overhead. It is too early to tell whether the ENC's will be able to attract sufficient numbers of participants, with either private or public financial backing, to enable them to continue offering the courses on a sustainable basis. Nevertheless, the cost of the tuition, together with the likely perception that some of the courses offered are of marginal relevance, poses a strong probability that many institutions will drop out of the program.

- (ii) Related to the previous point is the fact that the specialized courses are typically given over a period of only three days. Given the complex nature of the courses offered (e.g. environmental analysis, microenterprise development, gender analysis, institutional analysis, etc.), it is reasonable to ask whether the knowledge that can be gleaned in such a short timeframe will make much difference to the performance of government employees, particularly since they will have only limited opportunities to put what they have learned into practice. This factor could easily reduce the perceived value of these courses, and thereby have a negative impact on the demand for them.
- (iii) The Executing Unit intends to transfer responsibility for a number of basic courses to the ENCs. (As noted earlier, these courses are now being administered directly by that Unit). Two of these basic courses will remain under the direct supervision of the Bank (procurement and disbursement procedures). It is not yet clear how these courses will be maintained in the future.
- (iv) As noted earlier (Chapter 1), the funding source for the training component is FSO net income in convertible currency. Since the Action Plan for C and D Countries was approved in 1997, decisions have been taken that have significantly reduced the annual availability of FSO net income, at a time when the demand for these funds to finance technical cooperation remains high. If support for training under the Action Plan is to be continued, the use of funds for the purpose will have to be focused on the highest-priority needs.

B. Recommendations

3.5 Several recommendations have been prepared on the basis of the preceding analysis and the issues that have been considered. The intent here is to identify areas where action is needed, leaving it to Management and the Board of Executive Directors to decide specific measures, within the general context of the Bank's budget preparation.

- **Recommendation 1. Funding for the Action Plan should be continued.** Highest priority for this funding should be given to the components administered by the Country Offices, which in the past have faced severe limits on the availability of budgetary funds for financing the kind of activities supported by the Plan. Since half of the annual allocation of US\$4 million for the project identification and execution component in the Country Offices has been financed from FSO net income in convertible currency, it may be necessary to reduce the total annual allocation for this component.
- **Recommendation 2. The Regional Operations Departments should continue to receive additional funding for project preparation in Group C and D countries.**

- **Recommendation 3.** Given the severe limitations on FSO net income funds, consideration should be given to eliminating this source of funding for activities under Recommendation 1. In this case, the US\$2 million remaining each year could be combined with the US\$2 million that was until now allocated to the Regional Operations Departments. Under this option, the Regional Managers should have authority to allocate the entire US\$4 million according to their requirements, taking into account annual changes in each country's needs and programs. If this were done, consideration should be given to retaining one of the provisions of the current plan, by guaranteeing a minimum annual quota to each Country Office in C and D countries. If this option is adopted, the Regional Operations Departments will need to adopt a system of financial records to keep track of resources from the regular budget and those from the Action Plan.

- **Recommendation 4.** The Regional Departments should give more specific guidance to the Country Offices as to the eligibility criteria for using Action Plan funds, both in resolving project execution problems and in identifying new operations. The Country Offices still do not have a common interpretation of the most appropriate use of these funds.

- **Recommendation 5.** The Training Program should be restructured to focus on the basic courses that are directly related to project execution. While recognizing the importance of training to strengthen executing agencies' operating capacities, the limited resources available for financing these activities suggests that efforts should be concentrated on areas of greatest practical importance for purposes of the Plan. Since training needs are of a long-term nature, and considering the pace at which the Bank is expanding into new sectors, it is important to develop a sustainable training capacity. The prospect for achieving this, however, is still an open question, in light of two critical elements, financing, and the assurance of continued training which meets Bank requirements.

- **Recommendation 6.** In light of Recommendation 5, the Bank should explore alternative approaches to creating local capacity to provide training courses specifically related to Bank activities. To this end, mechanisms are needed to encourage competition in the provision of such courses, consistent with training needs as identified by the Country Offices in consultation with the respective governments. This mechanism will help promote the institutional support needed to ensure a continued interest in training executing agency personnel. Through the Office of Learning, the Bank could provide technical assistance in course design so as to ensure consistency with its lending procedures. This option could include the possibility of contracting, through public bidding, under which governments would call for proposals from training firms and institutions prequalified by the Bank. This prequalification would ensure that the courses offered by these firms or institutions comply with Bank requirements. This mechanism is already being used in some Group C and D countries for many training activities under their own national strategies.

- **Recommendation 7.** In light of Recommendations 5 and 6, Management should submit to the Board of Executive Directors an amendment to **Regional Technical Cooperation Operation No. ATN/SF-5681-RG, to revise the Training Program along with adjustments to the financing plan for this activity using FSO net income.** The amendment should describe the program to be financed, with due regard to the concerns indicated in this report. The Plan should address the problem of securing funding for the continuation of training activities in the future. The options could include allocating funds under loans and non-reimbursable technical cooperation projects, or transferring costs to the administrative budget.

ANNEX A

**Table A-1: Special Fund for Project Identification and Execution
Results of Applying Allocation Formula, 1997-1998**

Country	Basic amount			Additional allocation		
	Adm. Budget	FSO	Total	Index (*)	FSO (**)	Total
Haiti	105,263	14,737	120,000	14.23	244,746	364,756
El Salvador	105,263	14,737	120,000	9.57	164,604	284,604
Ecuador	105,263	14,737	120,000	8.52	146,544	266,544
Nicaragua	105,263	14,737	120,000	8.41	144,652	264,652
Honduras	105,263	14,737	120,000	7.51	129,172	249,172
Costa Rica	105,263	14,737	120,000	7.06	121,432	241,432
Bolivia	105,263	14,737	120,000	6.97	119,884	239,884
Guatemala	105,263	14,737	120,000	6.06	104,232	224,232
Dominican Rep	105,263	14,737	120,000	5.49	94,428	214,428
Guyana	105,263	14,737	120,000	4.79	82,388	202,388
Panama	105,263	14,737	120,000	3.89	66,908	186,908
Paraguay	105,263	14,737	120,000	3.88	66,736	186,736
Suriname	105,263	14,737	120,000	3.68	63,296	183,296
Trinidad & Tobago	105,263	14,737	120,000	2.55	43,860	163,860
Jamaica	105,263	14,737	120,000	2.48	42,656	162,656
Uruguay	105,263	14,737	120,000	2.29	39,388	159,388
Belize	105,263	14,737	120,000	1.14	19,608	139,608
Barbados	105,263	14,737	120,000	1.04	17,888	137,888
Bahamas	105,263	14,737	120,000	0.44	7,568	127,568
Total 1997	2,000,000	280,000	2,280,000	100.00	1,720,000	4,000,000
Total 1998	2,000,000	280,000	2,280,000		1,720,000	4,000,000
Grand Total	4,000,000	560,000	4,560,000		3,440,000	8,000,000

(**) Calculated by applying the allocation indices (*) to FSO net income less funds taken from regional TC allocation (US\$4.0 million - US\$560,000)

ANNEX B

Table 1. National Training Institutions

Country	Institution
Bahamas	Public Service Centre for Human Resources
Barbados *	University of the West Indies
Belize	Belize Institute of Management
Bolivia *	1 Universidad Andina Simón Bolívar 2 Universidad Católica Boliviana 3 Universidad Privada de Santa Cruz de la Sierra
Costa Rica	Fundación de Estudios de Postgrado e Investigación en Ciencias Económicas (FUNDEPOS)
Ecuador	4 Pontificia Universidad Católica del Ecuador 5 Escuela Politécnica Nacional
El Salvador *	6 Fundación Empresarial para el Desarrollo Educativo (FEDAPE) 7 Universidad José Matías Delgado
Guatemala *	8 Asociación de Gerentes de Guatemala 9 Universidad Landívar 10 Universidad del Valle de Guatemala
Guyana	University of Guyana
Haiti	Université Quisqueya
Honduras	11 Universidad Católica de Honduras 12 Universidad Nacional Autónoma de Honduras (post-grado Latinoamericano en Trabajo Social) 13 Universidad Tecnológica Centroamericana
Jamaica *	Management Institute for International Development (MIND)
Nicaragua	14 Universidad Católica 15 Universidad Americana
Panama	16 Centro de Perfeccionamiento del Recurso Humano en el Sector Público 17 Universidad de Panamá
Paraguay	18 Escuela de Administración de Negocios de Educación Superior (EDAN) 19 Universidad Americana
Dominican Republic	Instituto Tecnológico de Santo Domingo
Suriname	PROPLAN Consultancy
Trinidad & Tobago	Employee Development Division
Uruguay *	20 Consorcio UCUDAL/CLAEH (Universidad Católica del Uruguay / Centro Latinoamericano de Economía Humana) 21 Universidad de la Empresa 22 Universidad ORT

SELECTION CRITERIA FOR NATIONAL TRAINING ENTITIES¹

- 1 Must have or be able to hire specialized instructors with experience in project formulation, execution or administration, including in the latter case experience in domestic procurement and contracting procedures.
- 2 Must have appropriate training facilities.
- 3 Extent to which these courses can become an integral part of the continuing education program of the university or center of excellence.
- 4 Experience in training activities, and programs of recognized excellence
- 5 Commitment that program courses will include distinguished professionals who are specialists in pertinent areas and who can be trained as instructors for the instructor training courses.
- 6 Financial situation
- 7 Existing links with universities or training centers in other countries.
- 8 Percentage of enrolled students who graduate.
- 9 Quantitative and qualitative description of the proposal.
- 10 Demonstrated experience in conducting seminars, conferences and in publishing documents on topics of interest to the program.
- 11 Commitment to adopt the Bank's training modules for use in the program, and to maintain a standing relationship with the Bank and keep courses updated to reflect any changes in Bank policies and procedures.

Institutions will be selected through competition wherever possible. In any case, only institutions that have been prequalified will be invited to submit proposals.

¹ Executing Unit: "Evaluation of the Training Program for Group C and D Countries", July 8, 1999.

Table 2. National Liaison Institutions for the Program

Country	INEP
Bahamas	Ministry of Finance and Planning
Barbados	Ministry of Economic Affairs *
Belize	Ministry of Economic Development
Bolivia	Secretaría de Inversión Pública y Financiamiento Externo *
Costa Rica	Ministerio de Hacienda
Dominican Republic	Secretariado Técnico de la Presidencia
Ecuador	Ministerio de Finanzas y Crédito Público
El Salvador	Ministerio de Hacienda *
Guatemala	Ministerio de Planificación Económica *
Guyana	Ministry of Finance
Haiti	Ministry of Planning
Honduras	Unidad de Apoyo Planificación Económica
Jamaica	Planning Institute of Jamaica *
Nicaragua	Ministerio de Economía
Panama	Ministerio de Planificación y Política Económica
Paraguay	Ministerio de Hacienda y la Secretaría Técnica de Planificación
Suriname	Ministry of Planning and Ministry of Finance
Trinidad & Tobago	Ministerio de Planificación
Uruguay	Oficina de Planeamiento y Presupuesto de la Presidencia de la República *

* Agencies interviewed.

Inter-American Development Bank
Banco Interamericano de Desenvolvimento

Banco Interamericano de Desarrollo
Banque Interaméricaine de Développement

1300 New York Ave., N.W.
WASHINGTON, D.C. 20577
Phone: (202) 623-2390 Fax: (202) 623-3781

Manager, Integration and Regional
Programs Department

Gerente, Departamento de Integración y
Programas Regionales

To:
University:

Ref.: ATN/SF-5681-RG. Letter of Understanding:
Training Program for Group C and D Countries

Gentlemen,

This Letter of Understanding, hereafter referred to as the "letter", signed between the Inter-American Development Bank, hereafter referred to as "the Bank", and the University, is intended to establish the terms and conditions under which the entity that you represent will participate in the Training Program for the Bank's Group C (countries with insufficient markets)² and D (relatively less developed countries)³, hereafter referred to as the "program".

The program is being implemented by the Regional Technical Cooperation Division of the Bank's Integration and Regional Programs Department, through the Executing Unit established by the Bank for the purposes, in consultation with a coordinating committee. Annex I to this letter provides details on the program's structure and responsible personnel. The Bank's offices in Group C and D countries, hereafter referred to as the "Country Offices", are responsible for consulting with the principal players in the program with a view to preparing national training strategies and course programs.

The basic purpose of the program is to help develop a permanent national capacity to train officials of institutions responsible for preparing and executing projects. The specific objective of the program is to strengthen dialog with respect to policy and program formulation and the processes of identification, design and management of programs and projects, through a training scheme for employees of private and public organizations that serve as executing agencies in Group C and D countries.

The principal players in the program, in addition to the Bank offices referred to, are: (i) the National Liaison Institutions, hereafter the INE, as described in Annex II of this letter;

² Bahamas, Barbados, Costa Rica, Jamaica, Panama, Suriname, Trinidad and Tobago and Uruguay.

³ Belize, Bolivia, Dominican Republic, Ecuador, El Salvador, Guatemala, , Guyana, Haiti, Honduras, Nicaragua, and Paraguay.

(ii) the Executing Agencies for projects and programs, hereafter the "OE"; (iii) the National Training Entities, hereafter the ENC's, as described in Annex III of this letter; and technical institutions associated with the program, hereafter the "Anclas", as described in Annex IV.

The Bank is currently implementing this program in two parallel phases. The first phase consists of providing courses in priority areas where teaching materials are available. These courses are given by Bank instructors, and are supplemented with courses given by external consultants. The second phase consists of developing a national training capacity in these countries, through:

- (i) designing and updating a national training strategy;
- (ii) developing training programs for continuing education, consisting of courses established by the Bank, with a focus on project formulation and execution in the ENC's;
- (iii) training instructors to meet the needs of the program and to strengthen the national training institutions that will continue to provide courses in the future; and
- (iv) adapting the curriculum in priority areas as identified.

At the present time, the Bank is seeking to work with and strengthen ENC's so that they can continue to offer program courses as detailed in Annex V of this letter. To this end, the Bank has selected the University to conduct these activities, and will provide the necessary materials, specialized modules and training for trainers. The University will thereby become part of a network of centers of excellence, the purpose of which will be to develop each subject area in greater depth and to foster the exchange of experience and best practice among the regions.

One of the most important aspects relating to the program is its sustainability, in support of which the Bank intends to produce and disseminate state-of-the-art materials that will include self-instruction videos and software and satellite courses. The Program will also make use of the Internet to ensure access to teaching materials, including online support for courses that the ... University will be offering. As well, the Bank proposes to conduct training activities for instructors selected by the University, in order to achieve the program's objectives.

The principal responsibilities of the ... University will be: (i) to submit for the Bank's consideration, at least 30 days before the date of each course, the name and CV of the instructor or instructors proposed as candidates for instructor training; (ii) to advise the Bank of the name of the person within the American University who will be responsible to the Bank for carrying out activities under the program; and (iii) to ensure that the candidate selected is committed to attending the training courses, so that the knowledge gained can be replicated in courses in the candidate's own country, in accordance with guidelines agreed with the Bank.

For its part, the Bank will conduct the program's instructor training courses abroad or in a country at the regional level, to be indicated in due course by the Bank. The courses will last for approximately one week, except for the following courses, which may require more time: (i) Project Administration and Control; (ii) Socioeconomic Evaluation of Projects; and (iii) Financial Analysis.

The Bank will send out announcements of the instructor training courses to be held under the program, at least 60 days before the course is to begin. These announcements will provide details on the date, place, content and duration of the course. If a course is to last for more than one week, the Bank will issue the announcement earlier than 60 days in advance.

The Bank will be responsible for designing the content and preparing the materials for the instructor training courses. This includes both the materials and texts for distribution to selected instructors, and the necessary notes, slides, diskettes or other media, and examination forms and instructors' handbooks. The ... University will be responsible for the cost of reproducing these materials for future courses that it may give. The Bank in any case reserves the right to change or amend the timetable, content and calendar of instructor training courses without prior notice.

The Bank will provide financing under the program to defray the costs of travel, accommodation and meals for instructors selected to participate in the regional instructor training courses. In this case, any instructors' fees would be covered directly by the University.

The Bank will also supervise and monitor each course by conducting tests, examinations and evaluations of course content. In the case of tests and examinations, the purpose will be to determine what has been learned from a given course. In the case of the evaluations, the purpose will be to gauge the level and reactions of course participants and to assess how the techniques they have learned are applied in their subsequent work.

Course participants will be expected to attend all classes and activities as scheduled. In approving any course, the Bank will take account of the following requirements: (i) an attendance rate of at least 90 percent in scheduled course activities; and (ii) successful performance on examinations, or achievement of a given grade average, as a minimum requirement. At the end of each course, participants meeting the above requirements will receive a certificate of attendance or graduation, as the case may be, awarded jointly by the Bank and the University.

As part of the program's ENC network, the University will also be expected to: (i) adopt the training course modules; (ii) offer the courses as demand in its country dictates, on dates of its own choosing; (iii) inform the Bank of the timetable and the cost of courses; (iv) use tests, examinations and course evaluation forms provided by the Bank; and (v) maintain an ongoing relationship with the Bank, so as to keep course content updated in a manner consistent with the needs of the executing agencies and the Bank.

If the Bank identifies a special demand for one or more basic courses in the program, the University must within 30 days of such communication present a proposal for conducting such courses, including a timetable with proposed dates and a total cost figure.

Finally, the Bank and the University will agree on the basis for awarding an International Certificate in Project Formulation, Administration and Evaluation for participants who have successfully completed a program course.

If your University is in agreement with the contents of this letter, we would ask you to sign and return one original, so that the University may become part of the network of ENCs participating in the program.

Yours sincerely,

[Newspaper clipping: Prensa Libre]

GUATEMALAN MANAGERS' ASSOCIATION

COMPREHENSIVE EXECUTIVE TRAINING COURSE (CIPE)

CIPE now offered in morning sessions

Designed to familiarize you with modern business management elements and techniques and to increase your understanding of basic issues of interest to executives, with special emphasis on their interrelationship.

The course consists of 30 sessions covering Finance, Marketing, Advertising, Administration, Economics, Business Strategy and Human Resources

- An opportunity to expand your analytical skills and exchange practical experience with other participants.
- A course that will contribute significantly to your successful professional development.
- Proven effective by more than 2000 successful managers and executives in Central America.

■ AIMED AT:

- Business people and management executives with three or four years of practical experience
- No academic degree required.

■ INSTRUCTORS:

- | | |
|----------------------|--------------------|
| ▪ Richard Aitkenhead | ▪ Manuel Kairé |
| ▪ Mario Mendizábal | ▪ Ramiro Ponce |
| ▪ Manuel de Aguirre | ▪ Francisco García |

BEGINS: 17 May

TIME: 7.00 to 9.30 a.m.

THE IDB AND ITS PROJECTS

In the course of three intensive working days, this course will teach you about international financing opportunities offered by the Inter-American Development Bank through its various operating mechanisms.

You will learn how the IDB and its agencies work, and what steps are needed to obtain financing for specific development projects.

■ AIMED AT:

- A very useful course for anyone who wants to establish a relationship with the IDB.
- Essential for officials new to formulating and executing Bank-financed projects.
- Indispensable for consultants engaged in project formulation and evaluation.

■ COURSE MODULES:

- Course context
- General concepts
- The IDB and its instruments
- The development project cycle
- Preparing projects for the IDB
- Different types of analysis required by the IDB
- Executing IDB projects
- Case studies of successful IDB projects in Guatemala

■ INSTRUCTORS:

- Lic. Julio David Castellano H., Economist and Business Administrator
- Lic. Guillermo Paiz S., Business Administrator, specialty in Finance

Both instructors are certified by the IDB to give this course.

DATE: 19, 20 and 21 May

All AGG seminars can be tailored and provided for your business anywhere in Central America, through our **On-Site Training Services Division**

**Banco Interamericano de
Desarrollo**

**Pontificia Universidad
Católica del Ecuador**

**Escuela Politécnica
Nacional**

**INTERNATIONAL CERTIFICATE IN PROJECT DESIGN,
ADMINISTRATION AND EVALUATION**

**ADVANCED QUALIFICATIONS IN DEVELOPMENT
PROJECT MANAGEMENT**

1999-2000

1. BACKGROUND

Ecuador is classed as a Group C & D country for purposes of the Training Program in Project Design, Administration and Evaluation sponsored by the Inter-American Development Bank. It has designated the Escuela Politécnica Nacional (EPN) and the Pontificia Universidad Católica del Ecuador (PUCE) as centers of excellence for implementing this program nationally.

In pursuit of this objective, the two universities have formed a strategic alliance to carry out the program jointly, in accordance with IDB standards and requirements, and they have undertaken to conduct training in the country's major cities, including Quito, Guayaquil, Cuenca and Machala. The PUCE and the EPN will coordinate as necessary with other universities, educational institutions and NGOs to ensure the planned seminars are fully effective.

2. TRAINING PROGRAM FOR THE "INTERNATIONAL CERTIFICATE IN PROJECT DESIGN, ADMINISTRATION AND EVALUATION"

SEMINARS	DURATION (hours)	COMPULSORY/ OPTIONAL
1. Central Course	24	Compulsory
2. Logical framework	24	Compulsory
3. Financial analysis	32	Compulsory
4. Institutional and organizational analysis	32	Compulsory
5. Environmental analysis	32	Compulsory
6. Economic analysis	32	Compulsory
7. Gender analysis	16	Compulsory
8. Monitoring and evaluation	24	Compulsory
9. Project management	24	Compulsory
10. Negotiation A	24	Compulsory
11. Negotiation B	24	Compulsory
12. Small projects and microenterprises	32	Optional
13. Independent auditing	8	Optional
14. Procurement and contracting	16	Optional
15. Loan disbursements	16	Optional
16. Training facilitators	24	Optional
TOTAL TRAINING HOURS	384	

ANNEX C

I. OPINION SURVEYS DIRECTED AT THE COUNTRY OFFICES

A. Preparation and execution

- 1. Based on your experience with activities financed under this Plan: how did you deal with problems of project identification, preparation and execution before Action Plan funding became available? What alternatives did you have?**

Response 1

The Country Office had resources and mechanisms for meeting internal needs through the administrative budget. Problems arose when we had to meet demands from executing agencies, which for the most part required an immediate response. Nevertheless, in these cases the only available alternative was to arrange short-term technical cooperation, with its attendant delays.

Response 2

Before funding was available under the Action Plan, the only possible way to help a borrower with project identification, preparation or execution was to use funds from the loan itself. These funds are always under the control of the executing agency, however, so that the Bank's capacity to influence their use is very limited.

Response 3

Before the Action Plan, the Country Office's ability to respond to execution problems was very limited. Most of the funds for consulting services came from the Project Preparation Facility (PPF), or were part of the loan. The Country Office's negotiating power in terms of allocating resources for project identification and execution was limited to the undertakings in the loan contract.

Response 4

Prior to the Action Plan, most funding for consultant services came from the PPF or from the loan itself.

Response 5

Before funding was available under the Action Plan, the funding sources used for project identification were the short-term PPFs; the Fund for Special Operations (FSO); or specific allocations within the loans. With respect to execution, we had no tools for dealing with unforeseen difficulties in an expeditious way. Funds from the regular budget were scarce, so that the Bank's room for maneuver was very limited.

Response 6

The Country Office only had funding from its administrative budget, which was generally scarce. For this reason, most of the time we were unable to deal with problems quickly and responsively. The only other alternative was to process a short-term technical cooperation transaction, with its attendant delays. From the record of use of consulting funds in the last two years, it may be concluded that the availability of funding under the Action Plan has significantly increased the response capacity of the Country Office.

2. **In your opinion, has there been a substantial change in the Country Office's response capacity for dealing with project identification and execution problems?**

Response 1

The Action Plan has meant a very positive change in the Country Office's response capacity, and has given it a streamlined mechanism for meeting urgent needs of the executing units, both in terms of project identification and execution procedures.

Response 2

Definitely. The Country Office's response capacity to deal with the problems mentioned above has turned around by 180 degrees.

Response 3

Absolutely. These resources allow us to put greater effort into identifying new operations, ensuring the greatest possible participation by government in considering the strategic elements necessary for success in the design and implementation of projects. Similarly, having more direct access to financial support has given us a more solid basis for negotiating and achieving consensus on decisions relating to the effective implementation of operations.

Response 4

The Action Plan has certainly improved the Country Office's capacity to deal effectively with urgent problems. Most of the activities financed with these resources (40 percent to December 1998) have however been directed at identifying new operations.

Response 5

Obviously. As we have said, the Plan has brought about a substantial change in the Country Office's response capacity, and has given it a flexible and effective mechanism for meeting the immediate needs of the executing agencies, both in terms of project identification and execution.

Response 6

Yes.

3. **On a scale of 1 to 3, where 1 = very important; 2 = important, and 3 = not very important, how would you rank the availability of funding under the Plan in terms of meeting immediate project identification and execution problems?**

Response 1

Very important.

Response 2

Very important.

Response 3

Very important.

Response 4

Very important.

Response 5

Very important.

Response 6

Very important.

4. **What were the criteria used in deciding the source of funding for resolving project identification or execution problems?**

Response 1

The criteria used to date were based on the availability of funding in (i) existing accounts (administrative budget, Country Office strengthening, and the Action Plan); and (ii) the currency of payment.

Response 2

The primary criteria are: optimizing use of funding from different sources and currency of payment for consulting services. A major limitation to date has been the lack of precise instructions about the time frame for using Plan resources drawn from the regular budget. This has led to a gap in the rules and has caused general confusion in the use of C&D funds from the budget. For example, we are unclear about the future availability of undisbursed C&D budgetary funding. We are not sure whether

these balances will be added to the budget for the next year, or whether they will simply be lost. This situation creates serious programming problems, particularly towards the end of the fiscal year.

Response 3

There are no specific criteria for deciding on sources of funding for project identification and execution. Decisions are based on currency of payment¹; availability of eligible funds according to the amounts in the contracts; and the type of expenditure (eligibility).

Response 4

Availability of eligible resources according to the amounts in the contracts; type of expenditure; and currency of payment.

Response 5

We give priority to using the administrative budget, but we also consider eligibility factors, such as the type of currency.

Response 6

The basic criterion has been to pay for all consulting services related to the pipeline and the portfolio with resources from the Action Plan, according to their availability, and always in coordination with the INEP. Other activities, such as covering Country Office shortfalls and providing one-time support for projects that do not have a high government priority (essentially small projects), have been met with resources from the regular budget or from the Country Office Strengthening Program.

5. **Were decisions on priority actions taken in close consultation and coordination with the national counterpart? What were the criteria used for allocating resources under the Plan?**

Response 1

Yes. However, it should be noted that there has been no overall programming approach to allocating Plan funds. At this moment we are working on the basis of quarterly planning, and we are maintaining flexibility, in close consultation with experts in the Country Office and in the liaison agency. Nonetheless, given the country's characteristics (serious institutional weaknesses, high demand for funding, no prioritizing of needs), the Country Office recommends caution in revealing the balance of funding available under the Plan.

¹ For local currency, the source of funds is the regular budget. For foreign currency, the source is account 5551 (C and D Fund).

Response 2

When the facility was created, an operating agreement (Letter of Understanding) was signed with the Office of Planning and Budget (the liaison body). Since that time, allocation decisions have been taken in coordination with the executing agencies, in light of jointly identified needs. Given the nature of this type of operation, where unforeseen problems are frequent, it is impossible to prioritize resource allocation very far in advance.

Response 3

Initially there was a good deal of confusion about the volume of resources assigned to the Country Office; eligibility for use of C&D funds; and their administrative management. Consequently, it was some time before we were able to coordinate with the government to formulate a plan for the rational and effective use of these resources. On this point, we have worked together with the INEP to draw up an agenda of priorities, which we update regularly. With respect to criteria, we have essentially been working under the assumption that these funds are intended to meet the country's most urgent needs. We always try therefore to respond to government requests, most of which relate to the identification of future operations.

Response 4

Yes. The government has been very actively involved in decisions on programming the use of available funds, both for the identification and design of new operations and for resolving problems of execution through short-term consultant services. In this respect, the Country Office and the INEP work together to program use of these funds. With respect to the criteria used for allocating resources, activities are selected essentially in terms of needs identified by the specialists, who are supposed to present a profile justifying and explaining the use of funds and the expected benefits.

Response 5

Definitely yes. Every year a memorandum is signed between the Bank and the INEP defining the use of C&D resources, both for project identification and execution. Similarly, any adjustments that may be needed to the programming during the year are done in close consultation with the INEP. With respect to criteria, these have not been precisely defined. Allocation depends for the most part on the Country Office specialists.

Response 6

Normally, when it comes to agreeing on the use of execution support funds, we consult directly with the respective agencies, and only rarely with the INEP. The reason for this is to avoid endless bureaucratic procedures, which would frustrate the very purpose of the Plan.

6. **Do you consider that Plan resources have had a noticeable impact on the effectiveness with which the borrower identifies and executes projects?**

Response 1

Since most of the Plan funds were utilized only in 1998, it is too early to assess the impact; results should start to be seen by the end of 1999.

Response 2

It is too early to assess results.

Response 3

It would be risky to venture an opinion, since the Plan has been in effect for a very short time.

Response 4

While in a few cases we have seen immediate results in terms of project improvement, it is not yet possible to determine the real impact of these activities on the capacity of executing agencies to conduct their functions more efficiently. Nevertheless, everything would seem to indicate that the impact is highly favorable.

Response 5

From the execution viewpoint, there would seem to be a better understanding of Bank requirements in terms of complying with the terms of the loan contract. In some cases, consulting services have helped clarify certain essential aspects relating to procurement and disbursement procedures, and have helped the executing agencies to streamline their procedures and to carry on afterwards more effectively by themselves.

Response 6

Yes, with respect to execution. There have been some cases where one-off support was needed to clarify aspects in the loan contracts. Once these were clarified, the agencies showed substantially greater effectiveness in meeting their obligations and fulfilling the conditions. This has had a tremendously positive effect in reducing the time elapsing between loan approval and implementation.

7. **In cases where consultants had to be hired, either by the Country Office (administrative budget) or by the beneficiary (regional technical cooperation), was this contracted in time?**

Response 1

Yes. The main reason for this was the flexibility in the Plan's criteria for identifying and contracting consultants, where this is a recommended but not essential requirement. Similarly, the Plan allows for greater flexibility in the value of contracts.

Response 2

Undoubtedly. This is indeed one of the most positive effects of the Plan.

Response 3

Yes, inasmuch as processing is handled directly by the Country Office.

Response 4

Definitely, this has made a decisive change in our ability to cope with unforeseen difficulties. As well, it is much easier now to identify the need for new operations in coordination with the government, and to give an immediate response by being able to hire consultants quickly.

Response 5

Yes, we have not had a single case of difficulties in hiring consultants. All we have to do is to select the right people and then we can sign the contract immediately.

Response 6

Undoubtedly. Since resources are administered directly by the Country Office, there is no reason for delays in processing consulting contracts.

8. **Do you feel that executing agencies are aware of funding under the Action Plan, and of the terms and conditions for its use?**

Response 1

They are aware of its existence and of the terms and conditions for its use. Nevertheless, as indicated earlier, they do not know how much funding is available.

Response 2

Yes, in general terms, in that they can see a change in the Bank's response capacity.

Response 3

Yes, but they are not aware of the details of how the Plan functions. Generally speaking, needs are discussed with the relevant specialist. The big difference is the fact that our specialists can now talk more confidently about the availability of funding and they can respond specifically and immediately to problems as they arise.

Response 4

If the question refers to a detailed understanding of the Plan, the answer is no. What is important, however, is the change that the availability of funding has made in the attitude of the executing agencies. Previously, when there was a problem, agencies tried to avoid discussing it with the Bank, because they were afraid that the Bank would not be able to respond promptly, either for lack of resources or because of delays in obtaining the required approvals. Today, these agencies know that the chances of receiving support have increased considerably.

Response 5

They definitely know that our capacity to respond to unforeseen needs has changed substantially. This in turn has strengthened the credibility of our specialists in terms of their capacity to resolve critical situations. This last factor is, in our judgment, the most important benefit of the Plan.

Response 6

In some cases, yes – particularly when the solution of a critical problem has required a major effort at analyzing alternatives and coordination between the respective agency and the specialist in charge. In other cases, they have been able to see a change in the Bank's response capacity when they request some kind of consulting service.

9. **Do you believe that the beneficiary entities see the Action Plan as an effective instrument for resolving: (i) short-term, (ii) long-term problems, or (iii) both?**

Response 1

Both. In the case of audits contracted with Plan funds, resolving problems helps to improve the financial and accounting situation of loans over the long-term. In the case of funds used to meet occasional administrative or technical difficulties, the solution is generally a short-term one.

Response 2

Both, since while most resources have been used to meet short-term problems of a very specific kind, there have been some cases where support from consultants will have a lasting effect. This could be the case in designing new operations, supporting financial system reforms, and helping strengthen the public investment systems.

Response 3

In principle, these resources should be used to meet short-term problems: providing immediate responses to immediate difficulties. There are or should be other ways to overcome long-term obstacles.

Response 4

Both, especially if we can continue using a portion of these resources to provide technical assistance.

Response 5

Both, because in addition to resolving immediate difficulties there is nearly always a byproduct that will be of benefit to the entities over the long term. For example, in some cases we had to deal with specific problems where projects had been virtually paralyzed for several years. Resolving these problems with consulting services allowed us not only to proceed with execution but also to strengthen the financial and administrative management of the entities involved.

Response 6

Both.

10. **On a scale of 1 to 3, where 1 = highly satisfactory, 2 = satisfactory, and 3 = unsatisfactory, how do you think the beneficiary entities view the results achieved under Plan funding?**

Response 1

In general, highly satisfactory; even though there have been some headaches with certain consultants. The solutions have nevertheless produced a high degree of satisfaction, both in the agencies and in the government.

Response 2

Highly satisfactory, even when they are not aware of the source of funding. What is important is the speed with which the Bank has responded to urgent requests, especially in the execution area.

Response 3

Highly satisfactory.

Response 4

It really should be the agencies themselves who give an opinion on this, but in our view the results have produced a high degree of satisfaction, not only among the

executing agencies but in the government. To date, both the borrower and we have been very careful in selecting consultants, and there have been no problems with their performance.

Response 5

If we look at the progress in project execution and in responding to government requests to fund consulting services and workshops for identifying new operations, the response is "highly satisfactory". In any case, the beneficiary agencies themselves should be asked for an opinion.

Response 6

Inasmuch as the Bank has demonstrated an interest and capacity to resolve problems expeditiously, the response would be "highly satisfactory". With respect to results, the response would be the same. This assessment is based to a large extent on the substantial change in the Bank's image, from a complex and very bureaucratic entity to an institution that can respond promptly and effectively when the situation so requires.

11. **On a scale of 1 to 3, where 1 = very appropriate, 2 = appropriate, and 3 = inappropriate, how would rank the criteria for allocating funding administration responsibilities under the Plan?**

Response 1

Very appropriate. The availability of resources both in the Country Office and at Headquarters has helped to streamline coordination with Headquarters.

Response 2

Appropriate. The training component perhaps needs to be re-thought. Its centralized administration would seem to be one of the reasons for the problems encountered both in its design and its implementation. Nevertheless, any decision to make a change should be based on an exhaustive analysis of the most appropriate options; the availability of resources, both financial and human; and the country's interest in participating actively in the decision-making process.

Response 3

Appropriate. Nevertheless, adjustments could be made to two aspects: administration of the training component where, in our view, decision-making is too centralized and high-pressured; and continuity of the Plan. On this latter point, the uncertainty about its future prevents us from programming the use of funds properly.

Response 4

Appropriate. The limits between project identification and preparation should be clearly defined, however, or else the Country Offices and Headquarters should be allowed to exercise their own judgment.

Response 5

Appropriate.

Response 6

Appropriate, although greater clarification would help to avoid duplication of effort between Headquarters and the Country Office.

12. **On a scale of 1 to 3, where 1 = very appropriate, 2 = appropriate, and 3 = inappropriate, how would you rank the distribution of resources under each of the three Plan components?**

Response 1

Appropriate. Nevertheless, the lack of clarity in allocating resources from the administrative budget for consulting services tends to generate distortions and uncertainty when it comes to committing resources. Normally, at the end of the year we receive a budgetary supplement that is difficult for us to use in the time remaining. Meanwhile there are situations where we have transferred C&D funds to cover internal needs and vice versa, as long as there was no conflict of eligibility.

Response 2

Appropriate.

Response 3

Appropriate.

Response 4

Appropriate, with reservations about the training component.

Response 5

Appropriate, although in fact we are referring to the amounts for which we are responsible.

Response 6

Appropriate, as far as we are concerned. We would not venture to give an opinion on behalf of Headquarters, for two reasons: first, because we are not aware of the specific needs they have identified in terms of the demand for consultants to help in preparation work; and secondly, because even if we were aware of these, it is not up to us to give an opinion on them.

B. Technical assistance: training

13. **Do you have a clear idea of the overall training program established for funding under the Plan in your country?**

Response 1

Yes. The Country Office has been involved in training its own personnel and officials of the executing agencies, by submitting requests for Headquarters support in the areas of procurement, disbursement and auditing, and logical framework (core courses). These courses were given in 1997. By way of example, it should be noted that under Procurement, which was ranked as quite good, 22 officials from executing agencies participated, but after three months only two of them were in the same job. The Country Office would like to see these courses given more regularly, to cope with the impact of high staff turnover in the public administration. Since the Bank could not continue offering these courses with the required frequency, the Country Office was informed that it could develop a strategy to incorporate existing local institutions into the training system. To this end, using the Action Plan training component, we prepared a proposal for working with universities, so that they could include training modules in their regular programming to meet the needs of entities working with Bank projects. The proposal included, in addition to the courses requested by the Country Office, additional modules that in principle were to meet the needs of the entities themselves. Planning for these additional modules was decided by the training component coordinators.

Response 2

Yes

Response 3

Yes. When the Plan was introduced, the INEP had identified training as an urgent need. The training program was therefore considered an important source of funding. The basic courses were given through the INEP, and it sent invitations to the heads of the executing units, who were supposed to select candidates. Information on the instructor training courses was sent through the Country Office to the ENC's, inviting them to propose five candidates from which Headquarters, on the recommendation of the INEP, would make the final selection.

Response 4

Yes

Response 5

Yes

Response 6

Yes

14. **How effective has the program been in developing a permanent national capacity to train officials in institutions responsible for preparing and managing programs and projects?**

Response 1

Not very effective. The main difficulty has been in the design of the program, which was based on faulty assumptions. First of all, while there is a clear need for training in certain areas, the public sector in this country is well endowed with qualified personnel. The problem therefore lies not so much in their ability to perform their functions effectively, but rather in the Bank's inadequate understanding of how the country's institutions work. To determine the best way to help any country, we have to weight a number of elements. Nothing is more wasteful than poorly focused training. Moreover, if results are to be sustainable, it is essential to create among beneficiaries a broad feeling of identification with the proposed strategy. Consequently, it is a mistake to seek a universal solution to the training problem. Moreover, such a solution is not always the most appropriate one. Secondly, some of the problems noted in implementing the Plan do not necessarily reflect shortcomings in the executing agencies, but rather errors of design. Thirdly, if, as the focus of the training program would seem to indicate, the intention is to deal with capacity problems, then the response should not be a course of two or three days. It is very important to establish a distinction between education and training. Finally, while the courses may be targeted at improving understanding of Bank procedures, the fact that the Bank itself was not involved in designing some of the modules (e.g. institutional and organizational analysis, monitoring and evaluation, and others), and the fact that responsibility for giving the courses has been turned over to institutions of essentially an academic nature, must raise serious doubts about whether these courses really present an accurate interpretation of our practices.

Response 2

In our view, the strategy is useful and we would not recommend any fundamental changes. It would be good to improve the quality of the teaching materials, however, and to identify a financing mechanism to ensure the program's future continuity.

Response 3

As it has been implemented, the training program is not a very good instrument for achieving these objectives. First, the content of the modules is too rudimentary and too general to satisfy the training demands of our executing agencies. Secondly, the courses are too short to make any significant contribution to improving the performance shortcomings of these agencies. A four-day course is no solution for the type of weakness that we find in the course of our daily operations. It is impossible to create capacity by hopping from one course to another, especially when the high turnover of personnel in the public administration precludes any systematic monitoring of a program that is given by the universities.

Response 4

Not the program as such. The courses that are strictly related to Bank issues, e.g. logical framework, disbursements, procurement, etc., are indispensable and have been well received. With an objective as broad as helping to create a permanent training capacity, the strategy lacks one basic requisite, which is to consider the factors that will ensure government participation. To the extent that the government does not feel itself a participant responsible for decision-making and for allocating resources, the proposed strategy is bound to fail. Moreover, the entities responsible for giving some of the courses have no commitment from the government as to its future: the letter of understanding in this respect is very vague.

Response 5

While the mechanisms for evaluating training needs tended to limit the topics that can be included in the courses, the focus adopted would seem to have sufficient flexibility to allow the Country Office to make changes and recommendations. In our view, the program design reflects a strategy that limits the number of courses and their contents to what already exists.

Response 6

The idea is attractive. Nevertheless, there should be closer study and comparison of the costs of carrying out the strategy with all the universities in the country, as opposed to the option of using existing capacity in the public sector.

15. **Do you think that the approach used for transferring knowledge and developing training capacity is sufficient to ensure the participation, support and commitment of the national counterpart?**

Response 1

To the extent that the government has prioritized the training courses in the list sent by the Bank, we may assume that these respond to the needs of national institutions responsible for project preparation and execution. Subsequent interviews with the

executing agencies revealed, however, they were never consulted about their specific training needs, nor were they aware of the courses offered under the program.

Response 2

No. The training program's strategy betrayed a centralized, paternalistic approach, without any rigorous analysis of country needs, or any consultation and coordination with regional operating divisions, considering the state modernization strategy adopted by both the Bank and its borrowing countries. Consequently, the government commitment is virtually nil. The INEP took a passive attitude for two basic reasons: (i) it was not involved in decision-making from the outset; (ii) there has been little relationship between the Plan's training strategy and that of the country; and (iii) the training program offers no options for pooling efforts among interested parties.

Response 3

Yes. All the courses were coordinated with the liaison body, and were offered as frequently as was necessary.

Response 4

In designing the program, the Bank neglected factors that would demonstrate the commitment of government to carry out a strategy. One of these is to maximize investment in training. While in this case the financial cost to the government is zero, the cost in terms of personnel time is significant, especially given the risk of "brain drain" to the private sector. An additional factor is the willingness of the government to assume the risks and costs of allocating training functions to the private sector, in this case to the universities. While consultations were held with the INEP, this was done in a great rush and in the end produced a program that tries to apply broad-brush solutions to specific problems. Training is a cultural matter and so it must be defined case-by-case. An additional element to bear in mind is that identifying needs does not necessarily mean a firm commitment by the government, independent of financial assistance from the Bank. In this respect, we would venture to guess that, to the extent that these activities do not require any government investment, the government will remain indifferent to the future of the investment that the Bank has made so far.

Response 5

No, inasmuch as the courses do not fit with government priorities. The government is prepared to support efforts that respond to the country's most urgent needs, on the basis of a rigorous evaluation of existing shortcomings. The program ignores the overall strategic approach to training that the government has adopted. That approach stresses reform in the public sector, including a training program on the project cycle, a copy of which was provided to the program coordinator. Moreover, the Bank program does not allow the country to decide who should be responsible for developing the modules, or for implementing them. There is very little room for maneuver. The government must be able to choose among different options, and to

select the most economical one. By concentrating efforts on the academic sector, this alternative has been substantially reduced.

Response 6

Yes. Nevertheless, as it is now designed, the program does not meet the specific objectives of the Plan. Government participation is ensured only as long as funding exists. Its continued commitment is therefore uncertain. An additional concern is the lack of control over selecting candidates, and we have noted that in some cases the candidates are always the same people, even when their responsibilities do not correspond to the subject matter covered by the courses. Thus the INEP itself has asked the Country Office to ensure that only the most suitable people are selected. An additional problem has been that participants have failed to remain in the courses (another indicator of inappropriate candidate selection by the executing agencies). While the Country Office has a supervisory role over the process of proposing participants, its ability to pass judgment on the suitability of individual candidates is limited.

16. Do you believe that there has been any change in the performance of institutions with respect to:

- (i) Their understanding of Bank terms and conditions for financing operations in their country?
- (ii) Their responsibilities at the project identification, preparation and execution stages?
- (iii) Their understanding of the terms and conditions of each loan contract under their responsibility?

Response 1

It is too early to offer an opinion on this point. Nevertheless, with respect to the courses explicitly directed at Bank activities and procedures, and particularly with reference to points (i) and (iii), we have noted some progress. These courses have stressed the importance of understanding the scope of contractual commitments.

Response 2

No. It is too early to expect any noticeable effect. Overall, few courses have been given in this country, so we cannot yet measure the impact on executing agency capacities. For this, the frequency of courses will have to be increased. The ideal would have been to design a good course devoted exclusively to basic issues, and to give it as often as necessary in each country.

Response 3

The number of courses given in this country is so low that we cannot measure their impact on the executing agencies, with respect to their understanding of Bank procedures and of their obligations, or their efficiency in carrying out their project execution responsibilities.

Response 4

Very few courses have been given in this country to date. Consequently, it would be risky to hazard an opinion in this respect.

Response 5

In the case of (i) yes, because the courses given so far have dealt directly with this aspect. With respect to points (ii) and (iii), it is too soon to say, because the results have not yet been evaluated.

Response 6

It is too early to give an opinion on the results.

17. **Do you believe that the strategy proposed and carried out for training trainers is likely to ensure continuity and sustainability for training activities over the long-term?**

Response 1

This is not easy to answer. In the first place, the Bank's trainers do not always have the skills needed to transmit knowledge. The specialized centers identified, where professors are more accustomed to teaching, have a comparative advantage in this respect. Yet in terms of the continuity and sustainability of training activities over the long term, the strategy adopted would not seem to be the most appropriate one, once funding under the Plan is exhausted. As long as there is no express commitment by the government, nor any agreement between the government and the training entities on a strategy to be pursued in terms of courses, contents, frequency and costs, it will be difficult to achieve the objectives of the Plan.

Response 2

No, for the reasons cited earlier, and the absence of clear and strict criteria for selecting participants in the instructor training courses.

Response 3

Not applicable.

Response 4

Yes, but only on issues unrelated to internal Bank procedures (procurement, disbursement, auditing and project management). The Country Office believes that the ENC's could, over the long run, ensure training for public sector officials in the techniques of project identification, design and management but, if this is to be feasible, the Bank will have to provide the financial resources to meet existing demand

Response 5

No, it is highly relative.

Response 6

No. The program should have been located in a government training unit in order to ensure its financing. Instead, the Bank decided on the academic route, which is not the best alternative in this country. Moreover, the government always contracts for its training requirements with its own training unit which, in turn, subcontracts to suitable institutions that have a clear understanding of regional training needs. Under the system proposed by the Bank, on the other hand, we are asking academic institutions, which have never developed any modules and are unfamiliar with Bank procedures, to try to work with courses after only five days of training for their future instructors. This does not seem a very effective way of ensuring success in our efforts at institutional capacity building.

18. **On a scale of 1 to 3, where 1 = very important, 2 = important, and 3 = not very important, how would you rank the actions to address training problems using funds under the Plan?**

Response 1

Not very important, to the extent that the training programs should focus **on fewer courses of greater relevance to Bank activities**. The first priority should be on disbursements and auditing, procurement and logical framework. These are the areas that present the greatest difficulties in project preparation and execution. Consequently, these courses should be given more frequently, considering the high turnover of personnel in public institutions. In any case, a commitment by the government is essential to success. The second priority should be institutional and organizational analysis, gender analysis, and environmental analysis.

Response 2

The design of the strategy was too ambitious, considering the time available and the number of persons (3) responsible for its organization, administration, supervision and evaluation (Coordinating Unit).

Response 3

Important.

Response 4

Not very important, considering the difficulties in the approach adopted. In fact, we do not foresee much success with this undertaking.

Response 5

Very important.

Response 6

Very important, with respect to the core subjects, and provided the Bank maintains control over course content. Not very important, with respect to the courses that are beyond the control of the government or the Bank.

19. **On a scale of 1 to 3, where 1 = excellent, 2 = good, and 3 = poor, how would you rank the quality of the training courses offered to date?**

Response 1

Variable. The intent is sound, and as long as the Bank continues to provide financial support to the participating universities, the prospects are excellent. The question is what will happen afterwards. On the other hand, in assessing the quality of the courses in general, we have to look at the people responsible for giving them. In the case of the Bank, the results were variable, in terms of transmitting knowledge, despite the instructors' mastery of the issues. When it comes to the universities, the problem is reversed, since the teachers are not very familiar with the specific issues of Bank operations.

In principle, the most appropriate solution for achieving the Action Plan's objectives would be to provide information transmission training to Country Office personnel who have expertise in each specific subject. In other words, we should train a specialized group within the Bank, something that would also require appropriate support materials (for example, programs prepared with Action Plan funding that is now going to outside entities to provide training).

Response 2

Variable.

Response 3

Good.

Response 4

Good.

Response 5

Good

Response 6

Unable to generalize, the courses on procurement, negotiation and logical framework: excellent. The central course; project management; institutional analysis: good.

20. **On a scale of 1 to 3, where 1 = highly relevant, 2 = relevant, and 3 = not very relevant, how would you rank the content of the training courses offered to date?**

Response 1

Very difficult to assess, since we are not familiar with the content of most of the modules used to date.

Response 2

Variable. The central course: relevant. Project management; logical framework; negotiation; procurement: very relevant.

Response 3

The content of the courses is relevant. We might ask however if the courses are being offered to everyone who should take them. We believe the focus should be adjusted to ensure participation by the people who can make most effective use of the training.

Response 4

Relevant, to the extent that they refer to specific Bank procedures. With respect to the Negotiation course, we all know that it is very good. The key question is how far the Bank is prepared to go in financing such expensive courses.

Response 5

To the extent that they can be adapted to specific demands and needs in this country, the courses could be highly relevant.

Response 6

Compared with what other institutions are offering, these courses are not very relevant, since they are ill adapted to the situation in this country and the region in general.

21. **On a scale of 1 to 3, where 1 = highly likely, 2 = likely, and 3 = unlikely, how would you rank the prospect that the strategy adopted for creating local training capacity will be sustainable once funding under the Plan disappears?**

Response 1

Remains to be seen. It is very difficult to predict the reaction of universities and the government when the Action Plan funding is exhausted.

Response 2

Completely unlikely. The strategy has no framework agreement between the Bank and the government, such as would reflect mutual interests and assure coordinated and integrated actions in training efforts. Moreover, the selection of the ENC's was done completely arbitrarily. For example, the Country Office never agreed to the number of universities selected, given the size of the country. This is in fact one of the reasons why the government did not get involved actively in the program. In addition, there is widespread uncertainty as to functions, responsibilities, key players and stakeholders in the program. Thus, the ENC's have no sense of commitment. One additional problem is the lack of quality control by the Bank over a product that it is sponsoring and that therefore commits its image.

Response 3

Everything will depend on the availability of resources for financing these courses. In addition, we must consider how far the government will be prepared to use the ENC's selected. While they initially expressed their agreement, the implicit assumption was that the Bank would continue providing non-reimbursable funding to cover training costs.

Response 4

In the first place, we must emphasize that there is a great need for training in this country, especially with respect to the logical framework, procurement, disbursements, and negotiation. The idea of creating a national training capacity is a good one, and it would help to replicate available capacity for training future technicians. Presumably, the program is intended to give the country a permanent capacity in this respect. As noted earlier, the INEP has been involved in defining training needs and setting the course agenda. Yet this does not guarantee continuity of the program once existing funding is exhausted. Consequently, we need to identify alternatives to ensure the survival of the capacity that we are trying to build. To that end, we might think of paying for training out of the loans themselves, as part of programmed expenditure for the project or program in question. Another option, perhaps more feasible, would be to have the courses given by local specialists. What is important here is that using local trainers will reduce costs. For example, every time someone from Washington tries to organize a seminar in the country, the institutions responsible will triple the enrollment fee.

Response 5

I believe there is general confusion as to who is really the user of these funds. The government has agreed to participate in an exercise to which it has made no clear commitment. To the extent that the Bank keeps providing funds, the government will be prepared to accept the ENC's. The government would have to strike some kind of arrangement with these entities to ensure continuity of the courses. Nevertheless, government practice has so far been to use competitive bidding procedures, and not necessarily to limit itself to national institutions.

Response 6

Not very likely, although there may be some exceptions as long as there is financing, either through the Action Plan or from the loans themselves. We must be clear that as long as the executing agencies do not participate in the process of course selection, there will be no market. What is doubtful is the capacity of institutions that are essentially academic, and that have no particular expertise or any close knowledge of Bank practices, to provide this kind of training. Consequently, what is most likely is that the government will ignore them and focus its attention on the basic core subjects, which Bank officials are responsible for.

C. Overall evaluation

22. In your judgment, what are the most positive aspects of the Action Plan?

Response 1

It gives the Country Offices a responsive and flexible mechanism for meeting its counterpart's requests relating to project identification and execution. In addition, it has initiated a process for programming training activities that, although it needs some adjustments, has highlighted the importance of medium-term planning for training courses to take account of the availability of instructors and participants.

Response 2

Basically, the great flexibility that the Country Office has in allocating resources; meeting unforeseen needs of executing agencies, and carrying over commitments from one year for disbursement in the next. This latter aspect is very important, since we do not always know at the beginning of the year what resources will be available.

Response 3

One of the main achievements has been to improve the relationship between the executing agencies and the Bank, particularly in terms of the conditions and procedures for projects and programs financed by the Bank.

Response 4

One very important aspect has been the Country Office's flexibility in handling the funds. This has allowed us to maintain an open dialog and develop confidence among the interested parties. Transparency as to the Bank's capacity to respond with quick-disbursing funds has in turn strengthened dialog on development strategies and policies and on sector-specific assistance.

Response 5

The Bank now has the capacity to detect needs and address the problem. (i) This has improved project performance; (ii) it has offset weaknesses in terms of funding and has broken the vicious circle arising from structural weaknesses of the borrower, together with the limitations on Country Office resources; and (iii) it has strengthened our communication and relations with the executing agencies. In this way, the Plan has made it easier to develop realistic initiatives for addressing problems of execution and for undertaking new activities. In addition to this significant contribution, the Plan has become a critical instrument for developing and maintaining an open dialogue with the government. As well, it has demonstrated the Bank's capacity to respond promptly and effectively to urgent needs.

Response 6

The availability of C&D funds has substantially increased the response capacity and maneuvering room of the Country Office in influencing the hiring of consultants. This is essential, particularly now that the Bank has shifted the thrust of its loans from an almost exclusive focus on investment projects towards programs of institutional and social reform. These represent a very complex undertaking and consequently will require a great number of specialties where both the Bank and the borrower face technical limitations. In other words, these loans demand more specialized support, and this need can be met through the timely and flexible hiring of consultants.

23. **In your view, what are the most negative aspects of the Action Plan?**

Response 1

The fact that there is no assured commitment by the government to make use of the facilities for training its employees in the future, and to ensure permanence and continuity for the program.

Response 2

In our experience, there are no negative aspects.

Response 3

With the exception of the strategy for training activities, we believe that there are no negative aspects.

Response 4

There are no negative aspects.

Response 5

Uncertainty with respect to its continuity. In addition, we believe that the rules for using the resources are not sufficiently clear. There is still some confusion with respect to the continuity of the Plan and the ultimate fate of funds if they are not used in their totality. As well, is not clear how far the Plan's resources can be used in support of non-reimbursable technical assistance programs. Nor is the distinction clear between using Headquarters funds and Country Office funds in identifying and preparing operations. On the other hand, the limitations noted with respect to the training component suggest a conflict between the results that the Plan seeks to achieve at the country level, and the top-down approach to implementing the program. Everything would indicate that a more decentralized scheme would produce greater consultation with the government and better supervision of results.

Response 6

The Plan needs to be more precise in defining the eligibility criteria for resource allocation. According to the memorandum for administration of C&D funding, sent by the Regional Operations Department, the Country Office understands that the funds can be used solely in support of **loan-related** activities. (See page 1, paragraph 1 of this memorandum: "Administrative budget resources will be transferred to the Country Office budget ... under programs ID1/LO, ID2/LO or PAD/LO...").

24. **In your opinion, were the resources allocated to the different components of the Plan (i) excessive, (ii) sufficient, or (iii) inadequate?**

Response 1

Sufficient. They have met critical needs for responding to government requests with the required speed and flexibility.

Response 2

Sufficient.

Response 3

Sufficient.

Response 4

Sufficient.

Response 5

Sufficient.

Response 6

Sufficient

25. **What suggestions would you make with respect to:**

- (i) Criteria for allocating resources among countries of the group?
- (ii) Allocation of resources among activities (identification/execution, preparation, and technical assistance)?
- (iii) Allocation of resources between Headquarters and the Country Offices?
- (iv) Continuity of the Plan?

Response 1

- (i) None. In principle, the current allocation approach is the right one.
- (ii) The distribution among activities appears appropriate, and I have no suggestions to offer.
- (iii) As in the previous cases, everything would seem to indicate that allocation is sound. Nonetheless, the difference between identification and preparation could be clarified. Are we speaking about profile I vs. profile II?
- (iv) There is no doubt that the Plan should continue, for three basic reasons: (i) it allows the Bank to meet country needs with the urgency required; (ii) it facilitates interaction between the Bank and the country; and (iii) it improves the Bank's image in terms of its capacity to respond to immediate problems, in contrast to the widely held notion of the institution as a slow and cumbersome entity.
- (v) Definitely, the Plan has shown itself to be extremely useful in improving the Bank's performance in its relationship with executing agencies and governments. Consequently, the need to ensure its continuity is beyond question. Its provisional nature is still an issue, however, and we need to think of options for institutionalizing it while maintaining its essence and, in particular, its flexibility.

Response 2

With respect to the first three questions, we have no comments. As to the continuity of the Plan, it would perhaps be useful to consider institutionalizing it so as to avoid any uncertainty in the programming of activities.

Response 3

- (i) The formula for allocating resources among countries should be revised to take account of recipients' absorption capacity.
- (ii) We have no comments on this aspect.
- (iii) We should either eliminate the distinction between identification and preparation activities, or find a clear way of separating the duties of the Country Offices and Headquarters in the use of C&D funds.
- (iv) Given the importance of maintaining the benefits of this initiative, it would be highly desirable to institutionalize it.

Response 4

- (i) We have no major comments on this aspect.
- (ii) We have no comments on the allocation of funds among activities. However, it is very important to ensure that resources arrive at the Country Offices on time.
- (iii) Except that the use of funds needs to be clarified, we believe that allocation is appropriate.
- (iv) The Plan should continue, which means that we should look for ways of improving it, especially in terms of providing certainty as to its permanence, and reducing the time taken to allocate and distribute funds.

Response 5

Our only comment relates to (iv). Based on this Country Office's experience and the success of its efforts, we would suggest the Plan should be made a permanent tool.

Response 6

- (i) With respect to execution activities, the criteria should be based on the number of projects under execution and the average age of the portfolio. In terms of identification, the criteria should be more neutral.
- (ii) We believe the allocation is appropriate.

- (iii) Flexibility should be maintained in allocating resources.
- (iv) We should seek ways of converting these resources into a permanent fund.

26. What lessons would you draw from your experience in using Action Plan founding?

Response 1

The Action Plan has allowed the Country Office additional maneuvering room with executing agencies, and has shifted its role from that of merely placing demands to that of providing assistance and then placing demands.

Response 2

The primary lesson relates to the importance of having a mechanism to ensure timely response to crucial needs, thereby increasing the prospects for success in meeting our objectives. This points to the importance of ensuring the benefits of these operations, over the long run, through a capacity to respond diligently to immediate and unforeseen difficulties.

Response 3

Experience shows that even with modest resources, provided they are available when and where needed, effective support can be provided to borrowers in managing program execution.

Response 4

- We need clear guidelines with respect to their use. The approach so far has relied too much on trial and error.
- It is very important to keep a flexible focus in supporting identification activities, and to ensure the greatest possible borrower participation in order to achieve agreement; instead of placing premature demands to meet the Bank's agenda (as happened in the training program).

Response 5

The Country Offices should be given resources that will allow them to respond swiftly to urgent needs of the executing agencies.

Response 6

No response

II. OPINION SURVEY DIRECTED AT NATIONAL LIAISON INSTITUTIONS

A. Identification and execution

- 1. From your knowledge or experience with activities financed under this Plan, was your entity involved actively and directly in decisions on allocating Action Plan funding?**

Response 1

Definitely yes. In close operation collaboration with the Country Office, we prepared a tentative program for using funds from the Plan for project identification and execution. This overall Plan was signed in June 1997, and was subsequently adjusted to meet certain unforeseen needs, but all decisions on resource allocation were taken in consultation between the Country Office and the INEP.

Response 2

Yes.

Response 3

Yes. This institution was involved directly and actively in decisions on allocating resources under the Plan. Agreements were signed between the Country Office and the INEP, establishing a tentative annual program for using the funds. That program was amended to meet needs as they arose, but always in consultation between the Country Office and the INEP.

Response 4

The people interviewed in the INEP in this country were familiar only with the training activities. Unforeseen problems prevented us from meeting with INEP officials involved in decisions on the use of resources under component 1.

Response 5

Yes, the use of funds was coordinated in a timely manner with the government. Nonetheless, it was always the Country Office that identified problems and proposed solutions. One possible explanation for this was the lack of awareness about the existence of Plan funds on the part of the executing agencies. A more effective publicity strategy is needed on the part of the INEP, so as to enhance the response capacity of the executing agencies, both in terms of preventing and resolving problems.

Response 6

Yes. We have a very good relationship with the Country Office and we are not only fully informed about the existence of Action Plan funding but have been fully involved in the decision-making process, particularly with respect to execution. This is a joint effort, and we work together consistently on this basis. We feel fully responsible for the decisions taken with respect to the allocation of funds.

2. **Do you feel your opinions were taken into account in selecting priority actions for financing under the Plans?**

Response 1

Definitely.

Response 2

Absolutely yes.

Response 3

We have always acted in coordination with the Bank, so there are no surprises when it comes to final decisions. Each of the activities was discussed fully on the basis of priorities and criteria defined in advance.

Response 4

Yes. This institution has always maintained an open dialogue with the Bank, and this has ensured full transparency in decisions on the use of Action Plan funds for project identification and execution.

Response 5

Yes. In our view, the Plan is a very important facility for a country with scarce resources. This means that our opinions are crucial for ensuring the efficient use of the funds in specific activities identified either by the Bank or by ourselves.

Response 6

Not applicable.

3. **On a scale of 1 to 3, where 1 = highly satisfactory, 2 = satisfactory, and 3 = unsatisfactory, how would you rank the results of your participation in decisions concerning the use of funds?**

Response 1

Not applicable.

Response 2

Very satisfactory, and indeed we feel that we are an active partner in the decision-making process.

Response 3

Very satisfactory. Specific activities have been identified and selected jointly with the Country Office. Nonetheless, it should be noted that we are not completely familiar with the way the funds are administered. Until recently, we were not aware of how much was allocated to our country, and how much was spent. In recent conversations with the Country Office, however, we have obtained this information and have agreed on an agenda of meetings to program future activities for financing with these funds.

Response 4

Very satisfactory. The results of our decisions have been excellent and we have made progress in areas that, until now, had been left out of the discussion agenda.

Response 5

Highly satisfactory

Response 6

Satisfactory

4. **Do you believe that the executing agencies are aware of the Action Plan funds and the terms and conditions for using them?**

Response 1

The INEP did not publicize the existence of the Plan among executing agencies in a systematic way. They learned of the availability of funding to meet project identification and execution needs only through the support they received from consultants, as a result of actions agreed between the Country Office and the INEP. We feel that our close relationship with the Country Office allows us to identify problems and take corrective actions with funds from the Plan, without the need to broadcast this widely among all the executing agencies. This approach serves to avoid creating false expectations and unjustified demands.

Response 2

Not applicable.

Response 3

Not necessarily. We have not revealed the existence of these funds. Nevertheless, we are inclined to think that most agencies have noted an important shift in the Bank's attitude with respect to the problems they bring forward. It is clear that the response capacity is much more rapid than it was in the past, and that technical people are more comfortable in discussing these problems when there are resources available for resolving them.

Response 4

While the existence of the Action Plan was not explicitly reported to the executing agencies, it was known to anyone who had the opportunity to benefit from these funds, and to the entities that are now carrying out other operations financed by the Bank.

Response 5

No. In fact there is no clear awareness of the existence of these resources as such. We have not felt it necessary to make a specific announcement.

Response 6

No, not specifically

5. **In your view, were the resources allocated to various activities under the Plan (i) excessive, (ii) sufficient, or (iii) inadequate?**

Response 1

Sufficient, since they were able to meet the consulting requirements for all initiatives identified by the INEP and Country Office.

Response 2

We cannot say, since we were unaware of the details of the Fund until very recently.

Response 3

Not applicable.

Response 4

Sufficient. We have so far been able to cover all our needs with respect to identification and execution.

Response 5

We can only comment on funding allocated to execution and identification. That funding was sufficient.

Response 6

We are unaware of the details of resource allocation, but judging from the results with respect to identification and execution, they were sufficient.

6. **What role did the executing agencies have in discussions on prioritizing activities for financing under the Plan?**

Response 1

None or very little. As noted earlier, decisions were taken through permanent contact between the Country Office and the INEP. In some cases, where the executing agencies were aware of the existence of Plan funds (having benefited from consultant services), they took the initiative to request further support from the Country Office and the INEP.

Response 2

Very little, with respect to tentative programming of resource use. Subsequently, when it came to refining the definition of programmed activities, the executing units approached the Country Office, which arranged with the INEP to incorporate them into the Plan.

Response 3

Little involvement, with respect to the overall programming of activities; very active, however, when it came to decisions on the use of funds for specific purposes within each activity. There, problems are identified between the Country Office specialist and the executing unit coordinator. The final decision on allocating resources is in the hands of the Country Office, in consultation with the INEP. Nevertheless, there is no detailed discussion with that institution, nor do we think such is necessary.

Response 4

Not applicable.

Response 5

In general, programming decisions for the use of funds are in hands of the INEP and the Country Office. Discussion of specific problems involves the executing agencies (in the case of implementations) and the Bank's specialist. At this point, the entities responsible for execution are very actively involved

Response 6

Not really. This has to do with the kind of activities that have been financed with Plan funds, which are more closely related to identification and preparation than to execution.

7. **Do you believe that there has been any change in the performance of institutions in terms of their responsibilities at the identification, preparation and execution stages of IDB projects?**

Response 1

It would be stretching things to suggest that the consultant services hired with Plan resources have produced changes in the performance of beneficiary institutions. Essentially, those services were intended to deal with very specific problems, and they helped to resolve situations that in one way or another were holding up project execution.

Response 2

It is too early to venture an opinion on this aspect.

Response 3

Not applicable.

Response 4

Yes, when it comes to identification. We have had excellent results from our activities, and there is clearly a much better understanding on the part of the institutions that will be involved in future programs, not only with respect to Bank procedures but also with respect to government expectations of their performance.

Response 5

Not yet. The efforts to date have not yet resulted in any tangible results that would allow us to evaluate them in those terms. We do expect a positive impact, but at this point we have no definitive answer.

Response 6

No. It would be an exaggeration to expect that consulting services contracted under the Plan could produce any notable changes in beneficiary institutions. Nevertheless, we understand that in some cases the results will show up over the medium term.

8. **In cases where consultants had to be hired, was this done on time?**

Response 1

Yes, in all cases contracting was arranged swiftly. This was a key point in the success of activities financed under the Action Plan.

Response 2

Yes, in all cases.

Response 3

Judging from the results, we would say yes. We are not aware of the details of each activity, but we have heard no comments that would contradict this view.

Response 4

Yes, the no-objection system is very responsive, and the fact that the Country Office has ultimate responsibility for using resources explains the speed with which consultants were selected and contracted.

Response 5

Not applicable.

Response 6

Yes, in all cases where consulting services were requested, both for identification and/or execution purposes, we have received an immediate and effective response.

9. **In your view, is the Action Plan an effective instrument for resolving short-term problems, long-term problems, or both?**

Response 1

Both.

Response 2

In the case of our country, the Action Plan was a very effective instrument for resolving short-term problems, since most of the consultant services were aimed at dealing with very specific problems of project execution.

Response 3

Both. While most of the consulting services were aimed at resolving immediate problems, it is expected that their impact will extend over the longer term.

Response 4

Both, but in particular over the long term, since benefits will begin to be felt only after operations have been completed. Furthermore, we expect that the technicians who participated with the consultants in resolving the problems will be able to use the knowledge they have acquired in future operations.

Response 5

Both.

Response 6

Not applicable.

10. **On a scale of 1 to 3, where 1 = highly satisfactory, 2 = satisfactory and 3 = unsatisfactory, how would you rate the results obtained from Action Plan funding?**

Response 1

Satisfactory, with respect to the results of project identification and execution activities.

Response 2

Very satisfactory.

Response 3

Very satisfactory.

Response 4

Very satisfactory with respect to the results of project preparation and execution efforts and the training courses given by the Bank. A great unknown is the future of training activities for which the ENC's are responsible.

Response 5

Very satisfactory, not only as to the results, but as to the process of discussion and understanding that we have had with the Country Office. Nevertheless, we have some observations about the procedures used in support of local training capacity, since there was no systematic or careful consultation with the country, and final decisions were in our view taken in a great hurry.

Response 6

Not applicable.

11. **In your view, what were the most positive aspects of support provided under the Action Plan?**

Response 1

Not applicable.

Response 2

The speed with which the Bank has responded to our needs.

Response 3

The free-flowing dialogue with the Bank, and the assurance that we would receive an effective response once priorities had been agreed.

Response 4

The Bank's capacity to help meet unforeseen problems, which has bolstered the confidence of executing agencies in bringing forward obstacles that crop up in their operations.

Response 5

It has allowed for better coordination with the Bank and even with our own staff, by expanding the channels of communication for discussing not only overall strategies but also day-to-day issues of project identification, preparation and execution.

Response 6

It has allowed us to take a more positive approach in our discussions with the Bank, since there is now greater willingness to listen to our problems, in the knowledge that there are means available for resolving them.

12. **In your view, what were the most negative aspects of support provided under the Action Plan?**

Response 1

Our experience so far has been very positive, particularly with respect to contracting consultants to support identification and execution activities.

Response 2

We have no examples that would indicate any negative aspect.

Response 3

Not applicable.

Response 4

None.

Response 5

Our experience has been consistently positive.

Response 6

It will be difficult to find anything negative in an initiative aimed at improving our understanding with the Bank and facilitating the efficient performance of activities and compliance with mutual commitments.

B. Technical assistance: training

13. **Do you have a clear idea of the overall training program agreed with the Bank for financing under the Action Plan in your country?**

Response 1

While the objective is clear enough, we have no overall concept of the program agreed with the Bank for financing under the Action Plan. As we understand it, this is a Bank program to help us with activities related to operations that we have underway. Our participation relates more to selecting topics and arranging the timing for courses.

Response 2

Yes. We have been very closely involved in activities, and we feel that training has high priority within the needs identified by the INEP. We have assigned a full-time coordinator to follow the program, with a counterpart specialist in the Country Office. Those two people worked together to set the agenda for the courses and to select participants in them.

Response 3

Not exactly, and what is worse, the Bank's own officers admitted that they did not understand the program. This can be explained by the changes that have occurred in the Bank.

Response 4

Yes, we know about the program, but as we see it both the type of courses and their content and timing were virtually decided at the time the Bank approached the government.

Response 5

Yes, we know about the program, but we have not received any support from the Bank. The course content is too theoretical, and it does not respond to our practical needs. The Miami meeting was only to tell us about this Bank program, on which we were supposed to have an opinion

Response 6

Yes, we know of the program and we are following it closely.

14. Do you feel that your entity was sufficiently involved, in terms of consultation and participation, in:

- (i) Identifying and discussing topics to be included in the training courses?
- (ii) Selecting national entities to give the instructor training courses?
- (iii) The approach used to transfer knowledge and to conduct the instructor training courses?

Response 1

With respect to the first question, the answer is no. We may say that we were informed about the existence of the program, but we certainly were not involved in selecting courses or their content. The answer to the second question is that we were involved in selecting the ENC's, from the outset, and the final decision was taken by common accord with the Bank. Finally, we have had no involvement with respect to training instructors.

Response 2

The answer to all three points is no. In fact, the strategy was virtually decided from the outset and we were told only that our participation was needed to establish priorities on the basis of a restricted menu, and that we could adjust the course schedule. In addition, the criteria prepared by the Bank for selecting issues and national training entities prevented our country from having any real input. When we asked for information about the content of the modules, what we received was reading materials. Our impression was that the only courses listed were ones that we already knew about, and that the others were being prepared as they went along. This means that there is a high likelihood of failure, since there is no chance to examine the

relevance of the proposals. In our view, a training strategy of this kind should be carefully worked out with the direct participation of the countries involved. That would take time, resources and a great deal of effort to really respond to local needs. Otherwise, all we will gain is a more-or-less arbitrary bunch of little courses that might help overcome day-to-day difficulties to some extent.

Response 3

- (i) No, generally speaking we were told about the existence of the program and we were invited to identify priorities from a list of courses available. The country was already carrying out a training program under a Bank project, and a new offer of short-term courses conceived under the Action Plan was simply attached to it. The strategy we have followed, however, is to put each course to competitive tender, and we are thinking of applying the same rule for courses under the Action Plan.
- (ii) Yes, we were involved in selecting the ENCs, and we suggested changes in the number of universities proposed by the Bank.
- (iii) No.

Response 4

The answer to the three questions is yes. We have received information from the Country Office about the courses available and we took part in programming the dates and in discussing the content of courses.

Response 5

Our involvement was more in terms of giving our approval rather than having any influence on the strategy for developing courses. At the Miami meeting, we were told about the program. None of those present had any clear idea of the role we were supposed play in the future, except for selecting priorities from a short list of courses and choosing training entities under criteria that were tailored essentially for academic institutions. While the Country Office did inform us that our participation was important, the time restrictions imposed prevented any serious analysis of needs and institutions, to determine which ones were actually capable of providing training for executing agency personnel, most of whom are in the public sector. In this respect, we sent a letter to the Bank through the Country Office, expressing our interest in courses that the government felt necessary for improving the quality of execution and for activating the preparation of projects financed by the Bank. We also made some suggestions as to training entities with which we have had excellent experience. The result of this démarche was zero. Moreover, we were not even able to agree with the Bank on a calendar of activities. While we have no objection to selecting universities from the viewpoint of academic excellence, we do wonder how effective they will be in terms of operational strengthening in the public sector. We would prefer a strategy that would pool efforts with the government's regular training activities.

Response 6

- (i) Yes with respect to identification, no with respect to selection of the issues. We put forth some ideas on the design of the courses and on who should be responsible for giving them, with a rather more practical orientation than that proposed by the Bank. With respect to course content, topics were defined jointly, in a very preliminary way, between the IDB, the INEP and the ENC.
 - (ii) We were not involved in qualifying the ENCs. The Bank came with a proposal for identifying centers of excellence, and options were examined. We did not suggest universities. Our suggestion was: (i) to use a national institution involved in training public officials, one that not only had the installed capacity but an assured operating budget; and (ii) a private institution.
 - (iii) No. In fact, training for instructors was always a "gray area" that nobody understands or has ever understood. The issue was never presented in a way that would indicate that the INEP was to be a co-participant. What actually happened was that we validated the activities, but not in any institutional way, since we never felt that the program was our responsibility. The reason for validating was simple: we were afraid of jeopardizing the funds that had been earmarked for training in our country, and we did not want to scare off the universities - among other things, because the meetings were joint ones and we did not want to hold up the IDB program.
15. **What kind of short-and long-term agreements do you have with the national training entities?**

Response 1

We have no agreement that would ensure attendance by executing agency officials at the training courses to be given under the Action Plan.

Response 2

None. We understand that the Bank has signed a letter of understanding, but in our view we are not obliged to contract with the ENCs for their services, nor are they obliged to provide services beyond those required. In other words, this is something decided between the Bank and the ENCs.

Response 3

There is no explicit undertaking between ourselves and the ENCs, but we expect that we may arrive at some agreements, since so far we are their major clients.

Response 4

None. We had designed our own system, focused on training as a process that should start from the basis of what already existed. We believe there are a number of specialized institutions in the various issues of concern to us, and we think that the best system, both from an economic and a quality viewpoint, is to go the open bidding route. This is what we have been doing, with excellent results. In addition, it is important to consider the training strategy designed by the government under the rules of the national public investment system. In our opinion, the success of the strategy proposed by the Bank for improving local training capacity will depend on its flexibility in adapting to the regulatory framework of the training system approved by the INEP.

Response 5

Not only is there no agreement, but there has been some serious disagreement. The government makes it a practice to contract with its own training institution, which in turn subcontracts services to other entities or individuals.

Response 6

None, although we do believe this is essential. Our objective is to sign an agreement with them as soon as possible.

16. **Do you believe that the training offered to date meets the most immediate needs of the government and the executing agencies in improving the latter's capacity to manage, coordinate, supervise and evaluate operations financed by the Bank?**

Response 1

Yes. It should be noted that the courses offered to date have been the responsibility of Bank officers and have dealt with issues closely related to the work of the executing agencies, with one single exception. In all cases they have been aimed at providing information essential for the performance of those agencies.

Response 2

That depends on the type of course. So far most have been the responsibility of Bank personnel, and this has ensured a very practical approach focused on the problems most frequently encountered by executing agency staff. Participants have declared their satisfaction with these results.

Response 3

Without denying the importance of courses such as Disbursements, Procurement and Logical Framework, these are not the most relevant issues in our case, given the problems we face.

Response 4

In principle we would say yes, but we do not think the essential problem lies in the capacity of the agencies to interpret Bank procedures. Nonetheless, courses such as those on Procurement, Disbursements and Negotiation are always useful.

Response 5

Yes, in relative terms, since although the issues are relevant, the approach is too general.

Response 6

Yes, especially with respect to the project cycle. In general, we are in agreement with the basic core subjects.

17. **On a scale of 1 to 3, where 1 = excellent, 2 = good and 3 = poor, how would you rate the quality of the training courses offered to date?**

Response 1

According to the evaluation provided by the participants, on the basis of informal quality control mechanisms that we developed ourselves, the quality of the courses given to date, and of the materials distributed, has been excellent.

Response 2

Excellent, except for the course on Project Management, where the quality was poor.

Response 3

Excellent, thanks to the fact that most of these courses were given by people from the IDB, who not only know the material but have practical experience with it.

Response 4

The Negotiation course was excellent, the others were good.

Response 5

Two of them were excellent (Negotiation and Logical Framework), while the others could be qualified as good.

Response 6

We do not have any opinions from participants on this point. The information may exist, but unfortunately we are not aware of it.

18. **On a scale of 1 to 3, where 1 = highly relevant, 2 = relevant and 3 = not very relevant, how would you rank the content of the training courses offered?**

Response 1

They are very well designed, and they will be of great help with IDB projects, which represent a significant part of public investment.

Response 2

In general, relevant.

Response 3

Highly relevant.

Response 4

Relevant, with a few exceptions.

Response 5

They are not very relevant, since they reflect a pre-conceived idea on the part of the Bank.

Response 6

Highly relevant. The content closely reflects IDB requirements.

19. **On a scale of 1 to 3, where 1 = very important, 2 = important, and 3 = not very important, how would you rank the activities called for under the Action Plan to address training problems?**

Response 1

In the context of our current strategy: not very important.

Response 2

Very important.

Response 3

Very important, but we need to establish agreements setting out the responsibilities of the parties. So far it has not been clear what role the government is supposed to play as the requester, nor what the obligations of the ENC's are with respect to the public sector. As things stand now, it is the ENC's that are setting the conditions so as to ensure a return on the services they offer.

Response 4

Not very important.

Response 5

We would say that the objectives of the strategy are very important, but the mechanisms for implementing it are not of much interest to the government.

Response 6

We do not think that the impact of the strategy itself will be very great, but this is not to cast doubt on the quality of the ENC's or on the content of the courses. To the extent that the ENC's selected have no obligation to follow a strategy or policy set by the government, each of them will look to its own interest.

20. Do you think that any changes will have to be made in:

- (i) The process of consulting government agencies?
- (ii) The criteria for selecting priority issues?
- (iii) The criteria for selecting training entities?
- (iv) The criteria for selecting participants?

Response 1

We believe the most important aspect to be resolved is future financing. Past experience shows that training programs will only last as long as there is funding. We hope to sensitize managers of the entities that the course package is aimed at, so that resources will be earmarked for training within the general budget as of the year 2000. In this context, the criteria used are of secondary importance.

Response 3

We do not think it necessary to make any major changes in the criteria referred to. Perhaps one suggestion would be to introduce some flexibility in the menu of courses offered. In this way, we could address very specific cases of high priority for the government and its executing agencies.

Response 4

We need to ensure the formulation of a joint strategy between the government and the Bank, because supporting the development of a local training capacity is a very complicated matter that requires much more than simply consulting the beneficiary. Much of the confusion over responsibilities under the program and over its objectives

comes in our view from pressures to push ahead with courses without allowing time to program them in a thoughtful and responsible manner. If we can achieve this, everything else will fall into place by itself.

Response 5

We would respond to the first point with a question: why is this program so highly centralized? This has complicated agreement among the parties enormously. Our perception is that we had somehow to "swallow" what we were being offered, or else we would lose it. We are convinced that this was not the Bank's intention, and yet for reasons that we do not understand, we were never able to sit down calmly and discuss this offer. We would have liked to reflect a bit on our options, as we would do with a loan or with our own training strategy. On the second point, we have in effect already given our answer. The fact that the courses are available, while this is a valid criterion, should not be a limiting one, especially if we are trying to create a local training capacity. Training for us is a process and as such it needs to be constructed as we go along, with a solid foundation but with great flexibility and the capacity to listen. With respect to the third question, I think that here the Bank has put the cart before the horse. We have to know what the demand is before we can tell who is in the best position to provide training in the future. The rules established by the Bank are tailored to academic institutions. While universities may be considered "centers of excellence," this is no guarantee that they can provide suitable training for the public sector, much less in practical issues of the kind that Bank operations require. When it comes to selecting participants, we have no comments in principle. We are not too concerned about this issue, since we know that if we have the necessary courses, we will have no problem in selecting the right officials to take them.

Response 6

In the first place, we would like to have more input into identifying training needs in this country. Secondly, we feel we have to take what is offered or else we may lose the opportunity, and with it the funding. If we are all clear about the objectives, there is no reason to expect silly proposals. Thirdly, we must definitely have an active role in selecting the ENC's, but for that we need to have an opinion and a decision on the criteria to use in identifying them. With respect to selecting participants, we do not see the need for any changes.

21. **On a scale of 1 to 3, where 1 = highly likely, 2 = likely and 3 = unlikely, how would you rate the prospect that the strategy for creating a local training capacity will be sustainable once funding under the Plan disappears?**

Response 1

Unlikely.

Response 2

Unlikely, if we cannot resolve the problem of future financing.

Response 3

Unlikely, unless projects include a portion of funding earmarked for training.

Response 4

Unlikely. If we are to meet the goals of the program once funding disappears, we will have to ensure that the government is prepared to pay the price and to guarantee the number of participants that the ENC's demand. Since the country has an installed training capacity, and has had excellent experience with the public bidding route, we need to consider how far the Bank's investment in this effort can reduce the costs and improve the quality of training. One alternative is for the government to sign agreements with the ENC's, but this is something that would have to be carefully examined by both parties.

Response 5

The only way to ensure sustainability is for the government to have the rights to the modules, on the basis of which it can decide who will give the courses. An important factor to consider is the high rate of personnel turnover, especially in the executing agencies. It is completely impractical to think of making a costly and prolonged investment in any single individual. While the option of turning to the private market is not only attractive but indispensable for the ENC's, integrating the courses into a larger academic program will only complicate things for the public sector.

Response 6

Likely, with respect to isolated events. Unlikely with respect to meeting the objectives of the program.

22. **What lessons should be drawn from your experience with the training program?**

Response 1

As it is designed, it is not leaving behind much for the country. If we cannot resolve the financing problem, the program will have no continuity and will have to be cut back to a series of isolated training events. Meanwhile, the ENC's are receiving training and are betting on the future, in the expectation that the resources they are investing in their instructors will produce a return once the program is consolidated with fee-generating courses.

Response 2

We have learned a great deal in terms of how to mount our own training strategy. We have already installed our own system for training instructors. Our professionals are trained to give the courses that make up our strategy, but this is not always done very efficiently. Consequently, we are calling for tenders from both domestic and international entities.

- One important lesson for us and for the Bank is that if there is no common objective there will be no continuity.
- The specific courses on the IDB should be given more frequently (e.g. four workshops a year), in small groups (10 people), and with a more practical and dynamic format and not as part of an academic program
- Thought should be given to selecting possible instructors among professionals who have experience with Bank projects, including consultants and technicians from the executing agencies.

Response 3

The importance of working in close coordination with the Country Office.

Response 4

This experiment reveals the tremendous limitations on centralized action. Dialogue with the Country Office flows extremely well on questions that concern us explicitly and directly and to the extent that both sides know that we have common objectives and common resources. This program is still a mystery to us. Who owns the resources? Who is the principal beneficiary? Who is ultimately responsible for its results? While the overall roles appear clear enough, there is widespread confusion when it comes to decision-making.

Response 5

The prospects for success in any activity that involves more than one actor will depend on the capacity of everyone to work together on the basis of sound information and a flexible attitude. This program has so far lacked mechanisms for reaching agreement among the interested parties, and has somehow overlooked the importance of maintaining a running dialogue, beyond defining the course agenda.

Response 6

- Before taking any large-scale decisions, we must be clear as to the nature of the problem, the existing options for solving it, and the willingness of the Bank to listen and respond flexibly to suggestions.

- We must avoid tying the hands of the people involved in decision-making by imposing rules that are themselves biased (for example those relating to identification of ENC's).
- We need to be more cautious in accepting proposals put forward unilaterally and from the perspective of decision.