

TRAINING PROGRAM FOR GROUP C AND D COUNTRIES

(TC0002048RG)

EXECUTIVE SUMMARY

Requester:	IDB Initiative		
Executing agency:	The Bank, under the responsibility of INT/RTC		
Amount and source:	IDB: (FSO)	US\$	1,350,000
	Local:	US\$	0
	Total:	US\$	1,350,000
Terms:	Execution Period:	12	Months
	Disbursement Period:	15	Months
Objectives:	<p>The Program's basic objective is to contribute to the improvement of capacity of executing agencies in the design and implementation of Bank-financed operations, through the training of executing agency staff in the C and D countries in material directly related to the requirements of the Bank's pipeline and portfolio. The project also aims to develop a permanent national capacity for training employees of national agencies responsible for preparing and carrying out Bank-financed projects.</p>		
Description:	<p>The Program's strategy consists of two simultaneous areas of action. The first includes delivery of the courses that have been designed by Bank staff and consultants, in order to address the immediate training needs identified in the countries, as determined by the portfolio and pipeline.</p> <p>The second area includes developing the countries' own training capacity in order to reduce costs and achieve a measure of sustainability by: (i) updating the training strategy for each country; (ii) completing the training of instructors to strengthen the national training centers that will continue to provide most of the courses in the future; and (iii) completing the process of adapting the curricula in the priority areas described below, including use of</p>		

distributive technologies.

The Program comprises four components that are described below: (i) training courses, (ii) adaptation of training modules, (iii) instructor training; and (iv) program coordination and evaluation.

Training courses (US\$520,000)

The courses will include: (i) a set of courses related to project identification and design to enhance implementation: Development of Bank-financed Projects, Logical Framework, Institutional and Organizational Analysis, Environmental Analysis, Gender Analysis, Monitoring and Evaluation, and a Project design workshop; and (ii) a set of courses related to project implementation: Project Management, Procurement, Disbursements, External Auditing, and a Project launch workshop.

Adaptation of training modules (US\$250,000)

Production of a complete manual for the logical framework will be carried out with this financing, as well as development and distribution of CDs for the core courses in order to reduce cost. In addition, course materials will be placed on a web page in order that staff of executing agencies may have ready access to instructional guides.

Instructor Training (US\$345,000)

Four additional courses shall be transferred to the ENCs through instructor-training workshops to complete the Program's institutionalization process: Monitoring and Evaluation, Institutional Analysis, Environmental Analysis, and Gender Analysis.

Program Coordination and Evaluation (US\$100,000)

The Executing Unit (EU) that has managed the Program since its inception will continue to be in charge of organizing and carrying out the activities including: (i) periodically tracking demand for training; (ii) encouraging the formulation of training strategies for the countries, with guidelines for program resource allocation; (iii) selecting modules for the courses; (iv) approving the schedule of activities; (v) organizing course logistics; and (vi) periodically evaluating program activities so that the system can be updated continually to match changing needs for training.

**Environmental/
social review:**

The document was approved by the Committee on Environment and Social Impact on June 26, 2000. No comments were received.

Benefits and beneficiaries:

This Program is an important part of the Bank's stand-alone project-related training. As such, it complements other stand-alone as well as embedded training efforts supported by the Bank, and is targeted at executing agencies in countries where problem projects are concentrated.

When delivered in a timely fashion, the Program's courses promote interaction between the executing agency teams and Bank project teams, help foster a sense of ownership on the part of borrowers by enabling them to participate in all phases of the project cycle, and enhance implementation by providing clear guidelines for procurement and contracting, the Bank's reporting requirements, processing disbursements, monitoring and evaluation.

Risks:

The Program's success is based on several assumptions. First, that Bank project teams will work effectively together with staff of prospective executing agencies early in the design phase in order to facilitate implementation. A second assumption is that project teams will include training requirements for executing agencies in loan documents and TCs, to be financed preferably from the counterpart contributions. A third important assumption is that ENC's will remain active in the Training Program, sending their best and most experienced instructors to the instructor-training workshops, coordinating actively with Country Offices and INEPs in scheduling training, maintaining high quality in the courses delivered, and effectively undertaking the administrative requirements for holding this training.

**Bank's country
and sector
strategy:**

The diagnostic study for the Action Plan for Group C and D countries emphasized that weaknesses in borrowing institutions act as constraints on the design, preparation, and execution of new projects and the normal execution of the Bank's loan portfolio. In this context, the Board proposed a Training Program for Group C and D Countries. As specified by the original plan of operations (AT-1122), the Program was carried out over a two-year period, with financing split into two 12-month segments, each with a US\$2 million budget.

In December 1999, the Board approved a recommendation regarding the Training Program on the basis of the Office of Evaluation and Oversight's (OVE) Report on the Action Plan (RE-242), as follows: *"Management should formulate a long-term training strategy for the core topics most relevant to improving overall project performance: logical framework, procurement, disbursements, external audit, and guidance on the financing of Bank projects. The strategy should include a cost-effective, financially sustainable system to develop, deliver, and finance training programs."* Management has formulated a training strategy on which this plan of operations is based.

The 1999 Annual Report on Projects in Execution (CP-1922) is particularly illustrative of the need for, and perceived impact of, this Training Program. First, the Report notes that "Group C and D countries continue to account for the largest share of problem projects (55%)." Secondly, it indicates that "findings from a review of PPMRs and PCRs highlight the importance of the active participation of relevant stakeholders at an early stage in the design of Bank operations." Moreover, the Report notes that "the consensus is that additional support, either through the C & D Action Plan or other means (also directed to A & B countries) will continue to be instrumental in the identification, preparation and execution of projects.... Clients are becoming more conscious of the cost of poorly designed and implemented projects, so further efforts both to support clients and provide additional training throughout the Bank will need to be intensified." Finally, the Report states that "Bank specialists report that the training courses have made a positive difference in the project implementation capacity of the executing agencies and PIUs, enhanced overall teamwork, and contributed to a greater sense of ownership and shared responsibility for achieving the desired development objectives."

**Special
contractual
conditions:**

N/A

**Exceptions to
Bank policy:**

N/A

I. FRAME OF REFERENCE

A. General Background

- 1.1 The diagnostic study for the Action Plan for Group C and D countries emphasized that weaknesses in borrowing institutions act as constraints on the design, preparation, and execution of new projects and the normal execution of the Bank's loan portfolio. It indicated that, to a greater or lesser extent, many of these countries lack an efficient infrastructure of institutions to manage public sector investments and external assistance. It also noted that constraints at various levels within the public agencies in charge of monitoring and supervising investment project execution can constitute significant hindrances.
- 1.2 In the 8th Replenishment Agreement, the Board of Governors adopted a lending scenario target of 65 percent of total IDB-8 lending to countries in groups A and B, and 35 percent to countries in groups C and D. However, the weaknesses mentioned above (1.1) have caused approvals and lending projections to fall significantly below the target for the C and D countries. Furthermore, the constraint of weak human capital endowments in C and D countries is likely to continue for the foreseeable future. First, in the absence of strong civil services, there is considerable staff turnover resulting from changes of governments. Secondly, the Bank has added many new clients in the countries stemming from its activities in new areas, including civil society, legislatures and some social sectors, as well as the process of decentralization, which means that state and local governments are increasingly becoming executing agencies for Bank loans. These new executing agencies have little or no experience in project identification, preparation, or implementation.
- 1.3 Although there are certainly no quick fixes to the capacity problem of executing agencies and other national agencies involved in managing public investment programs, there is agreement that training key staff is one of the longer-term solutions. To contribute to overcoming institutional constraints, the Bank will continue to use its various operational modalities in programs aimed at reform and strengthening of the public sector, which encompass policy-making and strengthening of institutional capacity.
- 1.4 In approving the Bank's administrative budget for 1997 and 1998, the Board of Executive Directors decided to provide partial financial support for two special initiatives: the Country Office Strengthening Plan and the Action Plan for meeting the needs of Group C and D countries, designed to improve the capacity of borrowing member countries in those groups to identify, prepare, and execute

Bank-financed projects. The Action Plan is comprised of three areas of activity, seeking to:

- a. finance studies to identify and design projects, and short-term consultancies to resolve problem in project execution. To this end, a US\$6 million fund was established and administered jointly by the Bank – through the Country Offices – and the governments;
- b. contribute an additional US\$2 million to the three regional operations departments for short-term consultants to assist in the preparation of new projects; and
- c. establish a regional training program to strengthen the human resource base of national agencies responsible for project preparation and execution. This program, which cost a total of US\$4 million from the Fund for Special Operations -- FSO (US\$2 million each in 1997 and 1998) -- was in addition to the training activities for government employees that were included in the Country Office Strengthening Plan, chargeable to the administrative budget.

B. Project Background

- 1.5 In this context, and in an attempt to improve their capacity to identify, prepare, and execute projects financed by the Bank, the Board proposed a Training Program for Group C and D Countries. As specified by the original plan of operations (AT-1122), the Program was carried out over a two-year period, with financing split into two 12-month segments, each with a US\$2 million budget. On August 27, 1997, the Board approved the first year (ATN/SF-5681-RG) in the amount of US\$2 million in convertible currency from the Fund for Special Operations. Funding for a second year of implementation, in the amount of US\$2 million (ATN/SF-6252-RG), was approved by the Board on November 5, 1998, upon consideration of the Program's Progress Report (AT-1122-2).
- 1.6 In order to achieve the objectives set forth in the plan of operations (AT-1122) and restated in the Program's Training Strategy, the Executing Unit established a curriculum made up of a total of twelve courses, six related to project identification and design, five related to project implementation, and a negotiations course. Eleven of these twelve courses were developed by Bank specialists and consultants, and reflected methods and procedures in use at the Bank. Through December 1999, 270 courses were given directly under the Program, with a total of 9,497 participants.
- 1.7 The plan of operations for the first stage of the Program (AT-1122) called for the careful selection of national training centers (ENCs) so they could continue to provide this training in the future at reduced cost. The EU established

partnerships with at least one ENC in each of the nineteen C and D countries, and held regional training-of-trainers workshops for the following three courses: Program/Project Development (English and Spanish); Logical Framework (English and Spanish); and Project Management (Spanish). As a result, 151 instructors from 26 training centers were trained, and are now capable of offering the three above-mentioned courses in their respective ENCs.

1.8 Various lessons were derived from the Program's initial execution. These experiences will be incorporated into the new phase of execution increasing course quality, and overall Program efficiency. Listed below are the most prominent of these lessons:

- Partnering with ENCs has had important multiplier effects. It has been shown that demand for national courses tends to accelerate after instructor training workshops, that is, when the national Training Centers are capable of providing the courses themselves. Furthermore, the Program's financing can be used to leverage a substantial amount of financing of training by the executing agencies themselves, as ENCs contract directly with executing agencies.
- Experience has shown that a different approach should be taken vis-à-vis the smaller countries, where the portfolio and pipeline are small as is the critical mass of persons to be trained. Installation of courses in ENCs in these countries should be limited to Program/Project Development, Logical Framework, and Project Management. Special arrangements should be made to provide courses in Procurement, Disbursements and External Auditing by Bank staff when required for approved projects.
- Continuous monitoring and evaluation provides the opportunity to make adjustments that enhance the quality of courses. Participant and instructor testing are the best way to ensure course quality, and as such, should be a part of instructor certification.
- Country Office staff are frequently trained along with their counterparts from executing agencies. Thus an important externality is that the Program has proved a useful tool to facilitate the establishment of a productive dialogue between the executing agencies and the Bank. Furthermore, instructors trained by the Program are increasingly being used as consultants by the Country Offices, increasing the pool of consultants qualified in Bank procedures.

1.9 In November 1999, the Office of Evaluation and Oversight (OVE) presented a Report on the C & D Action Plan (RE-242) requested by the Board in connection with approval of the 1999 Administrative Budget. In December 1999, the Board approved a recommendation regarding the Training Program on the basis of

OVE's report, as follows: *"Management should formulate a long-term training strategy for the core topics most relevant to improving overall project performance: logical framework, procurement, disbursements, external audit, and guidance on the financing of Bank projects. The strategy should include a cost-effective, financially sustainable system to develop, deliver, and finance training programs."* Management has formulated a training strategy on which this plan of operations is based.

1.10 Management's training strategy put forth various guiding principles reflected in the course of action set forth in this plan of operations. Below is a summary of these guiding principles:

- The Bank shall continue to carry out stand-alone and embedded training. The objective of stand-alone project-related training is to build competence of borrowing country officials and capacity of executing agencies in the preparation and implementation of Bank financed projects.
- Training will be developed around an interrelated set of courses to improve project performance.
- To the extent possible, a significant part of the training should be supplied by local training institutions in a cost-effective manner.
- The Country Offices will take a leadership role, in coordination and with the host governments, in determining the demand for training.
- The use of distance and distributed education technologies shall be actively explored and applied to training, as a potentially sustainable, cost-effective alternative to traditional face-to-face training courses.
- Continuous and effective monitoring of the training shall be an integral component of the training strategy to ensure that the training provided has been cost-effective and has maximum impact.

1.11 As a result of the Board's mandate, a technical cooperation for a total of US\$150,000 (ATN/SF-6870-RG) was approved to finance the Program's activities while the training strategy was developed. In addition, Region 2 approved another technical cooperation, also for a total of US\$150,000 (ATN/SF-6852-RG), with the specification that the funds only be used to fund activities in Region 2. As of October of 2000, 27 additional national courses have been funded with these technical cooperations. The funds also aided in the adaptation of training modules, and Program coordination and evaluation.

1.12 It should be noted that the 1999 Annual Report on Projects in Execution (CP-1922) is particularly illustrative of the need for, and perceived impact of, this Training Program. First, the Report notes that "Group C and D countries continue

to account for the largest share of problem projects (55%).” Secondly, it indicates that “findings from a review of PPMRs and PCRs highlight the importance of the active participation of relevant stakeholders at an early stage in the design of Bank operations.” Moreover, the Report notes that “the consensus is that additional support, either through the C & D Action Plan or other means (also directed to A & B countries) will continue to be instrumental in the identification, preparation and execution of projects.... Clients are becoming more conscious of the cost of poorly designed and implemented projects, so further efforts both to support clients and provide additional training throughout the Bank will need to be intensified.” Finally, the Report states that “Bank specialists report that the training courses have made a positive difference in the project implementation capacity of the executing agencies and PIUs, enhanced overall teamwork, and contributed to a greater sense of ownership and shared responsibility for achieving the desired development objectives.”

- 1.13 Therefore, under this proposal, financing is proposed for a further year of execution, allowing for the funding of courses complementing the Bank’s portfolio and pipeline in each country, together with the completion of regional instructor training workshops for four of the Program’s courses. The guiding principles summarized in section 1.10 have been taken into consideration in the development of this operation and will be applied in the execution phase. The operation, as the third of a series of operations, is intended to be a “close out” operation aimed at consolidating previously made advances. With respect to any future training in this area, a decision would have to be made as to the source of funding.

II. THE PROGRAM

A. Objectives

- 2.1 The Program’s basic objective is to contribute to the improvement of capacity of executing agencies in the design and implementation of Bank-financed operations, through the training of executing agency staff in the C and D countries in material directly related to the requirements of the Bank’s pipeline and portfolio. The project also aims to develop a permanent national capacity for training employees of national agencies responsible for preparing and carrying out Bank-financed projects.

B. Description

- 2.2 In accordance with this objective, the Program's strategy consists of two simultaneous areas of action. The first includes delivery of the courses that have been designed by Bank staff and consultants, in order to address the immediate training needs identified in the countries, as determined by the portfolio and pipeline. The second area includes developing the countries' own training capacity in order to reduce costs and achieve a measure of sustainability by: (i) updating the training strategy for each country; (ii) completing the training of instructors to strengthen the national training centers that will continue to provide most of the courses in the future; and (iii) completing the process of adapting the curricula in the priority areas described below, including use of distributive technologies.
- 2.3 The Program will be carried out over a 12-month period and comprises four components which are described below: (i) training courses, (ii) adaptation of training modules, (iii) instructor training; and (iv) program coordination and evaluation.

1. Training courses (US\$520,000)

- 2.4 As stated in the guiding principles of the Training Strategy document prepared by Management, training will be developed around an interrelated set of courses to improve project performance. This set of courses is divided into two categories: (i) courses related to project identification and design to facilitate implementation, and (ii) courses related to project implementation (management and administration).

a. Courses related to project identification and design to facilitate implementation

- 2.5 The objective of this set of courses is to familiarize executing agency teams in the identification stage of projects, in order to facilitate the "integrated team" approach to project design. These courses should enable executing agency teams to participate in joint activities with Bank project teams in the design phase of projects, to foster a sense of ownership, include stakeholders, and facilitate implementation. The courses to be provided are described below:

(i) Development of Bank-financed Projects (Core course)

- 2.6 This is an introduction to the rest of the Program's courses and explains the project cycle at the Bank in detail. It reviews basic concepts, procedures and instruments used at the Bank for the identification, preparation, execution and evaluation of loans and technical cooperation projects. The course incorporates, in a condensed version, elements of design and analysis of diverse aspects that should be considered (e.g., technical, economic, financial, institutional, environmental and gender) as well as the importance of consultations and agreements with stakeholders or interested parties in developing and executing projects, and modern project management techniques that concentrate on generating results through effective implementation. [This course is now being offered by the ENC's, with minimal support by a Country Office specialist.]

(ii) Logical Framework (Core Course)

- 2.7 This course covers all aspects of the logical framework methodology currently in use at the Bank. The complete logical framework system is presented: stakeholder analysis, problem analysis, analysis of objectives, identification of strategy alternatives or solutions, and the logical framework matrix. The concepts are applied to case studies so that the participants understand how to utilize these tools to achieve specific objectives, anticipate contingencies, monitor the progress, and evaluate project results; the objective is for the participants to apply this system operationally in their respective activities. [This course is now being offered by the ENC's.]

(iii) Institutional and Organizational Analysis (Core Course)

- 2.8 The special study on project implementation units carried out for the 1999 Annual Report on Projects in Execution recommended periodic training of project teams, Country Office staff, and selected staff of executing agencies in institutional analysis, institution building, and its relation to project implementation and sustainability. Accordingly, this course is designed to help participants assess institutional and organizational issues that affect the execution and sustainability of Bank-financed projects. Using a model, the participants learn to assess the capability of executing and other beneficiary organizations for providing services or carrying out their corresponding functions. They learn to apply the model to identify strong and weak points in these organizations, in order to identify areas for possible interventions. [Since this course has been given in all countries, once the instructor-training workshop is held, the ENC's may teach it.]

(iv) Monitoring and Evaluation (Core Course)

- 2.9 Although monitoring and evaluation is carried out in the execution phase of projects, its value depends on planning for it during the design phase. The course modules combine case studies, small group activities and lectures to introduce the participants to: 1) the role and purpose of monitoring and evaluation in planning for and managing change; 2) relating the key elements of the Logical Framework to the Project Performance Monitoring Report (PPMR) used at the Bank as the basis for annual portfolio assessment; 3) criteria for developing appropriate indicators for monitoring; 4) the issues involved in the collection, analysis and dissemination of information to meet the needs of various stakeholders; and 5) the role and purpose of incorporating performance targets, benchmarking and baseline data to improve the monitoring and evaluation process. [Since this course has been given in all countries, once the instructor-training workshop is held, the ENC's may teach it.]

(v) Environmental Analysis for Projects

- 2.10 According to Bank policy, borrowers are responsible for conducting an environmental assessment, including social impact considerations as an integral part of project preparation. The objective of this workshop, which was developed by SDS/ENV, is to familiarize participants with the requirements for such environmental impact assessments (EIAs) and new concepts and advances in the evaluation of environmental and social impact of lending operations. Three principal modules are included: (1) review of IDB documentation on policies, strategies, procedures and environmental guidelines, including environmental and social impact profiles, such as environmental studies; (2) preparation of information on the situation of rural and urban environmental tendencies, the institutional and legal framework, and fiscal effectiveness of environmental and social norms for the design, execution and evaluation of projects; and (3) implementation of environmental management plans and requirements for monitoring and supervision. [Since this course has been given in all countries, once the instructor-training workshop is held, the ENC's may teach it.]

(vi) Gender Analysis

- 2.11 This course supports the Bank's activities in a priority area of the Seventh and Eighth Capital Replenishments. Designed by SDS/WID, it offers information and tools to improve the capability of the participants to incorporate gender considerations in the design and execution of projects, especially those to be financed by the IDB. It aims to introduce participants to gender concepts and to practical methods and techniques for conducting gender analysis. It also provides

the opportunity to practice integrating a gender focus into stakeholder analysis, project design and indicators for monitoring and evaluation. The course uses a participatory methodology that combines case studies based on IDB projects, work in small groups and plenary sessions.

(vii) Project Design Workshop

- 2.12 This workshop is conducted early in the project design stage (i.e., prior to preparation of Profile II), and is based on the logical framework methodology. The Bank's project team and the project's stakeholders, including the executing agency and potential beneficiaries, participate in this activity, which consists of carrying out a stakeholder analysis, problem analysis, analysis of objectives, identification of alternative strategies, and preparation of a preliminary logframe matrix. [This activity is conducted by Bank staff as part of implementation of Initiative No. 5 of procedures applicable to operations, and is generally financed through the administrative budget.]

b. Courses related to project implementation (management and administration)

- 2.13 The objective of this set of courses is to train the participants in the concepts and procedures related to the organization, planning, programming, follow-up and control of projects; emphasizing new IDB norms and procedures for the processing of financial transactions.

(i) Project Management (Core Course)

- 2.14 The objective of this course is to train staff of executing agencies in the concepts and procedures related to the organization, planning, programming, follow-up and control of Bank-financed projects. The first module is comprised of the principal elements of effective project management: discussion of the project's objectives as presented in the loan document and the contract; project structuring; project programming; revising the plan; identification of control methods; utilization of resources; and costs. The second module includes a discussion of the methodology for managing projects and its relation to the principal components of the logical framework. The third module utilizes project management software to resolve specific cases. The final module consists of group work on case studies illustrating solutions to obstacles usually faced throughout the implementation phase. [This course is now being taught by the ENC's in Spanish-speaking countries, with minimal support from a Country Office specialist. An instructor-training workshop for the English-speaking countries is planned.]

(ii) Procurement (Core Course)

- 2.15 The objective of this course is to disseminate the policies, and train participants in IDB procedures for the procurement of works, goods and consultant services. In addition, the professionals are introduced to specific information on preparing standard bidding documents for the procurement of goods, works and consultant services in order to make their use second nature for the executing agencies. Mechanisms for the ex-post evaluation of competitive bidding processes are also introduced. [This course is given exclusively by Bank staff.]

(iii) Disbursements (Core Course)

- 2.16 The objective of this course is to train borrowers and/or executors in the Bank's norms and procedures for the processing of financial transactions, including disbursements. The following subjects are included: (1) general aspects of the projects; (2) types of Bank financing; (3) sources of IDB financing; (4) different types of IDB disbursements; (5) disbursement currencies; (6) procedures for the preparation and presentation of disbursement requests by the executing agencies; (7) compliance with financial contractual clauses; and (8) financial inspection visits by the Country Office to the borrowers and/or executing agencies. [This course is given exclusively by Bank staff.]

(iv) External Auditing (Core Course)

- 2.17 The objective of this seminar is to train the participants in the Bank's auditing policies and requirements. The following aspects are included: (1) contractual obligations of the borrower and/or executors related to accounting-financial clauses; (2) IDB policies regarding the contracting and eligibility of independent auditors; (3) information required by the Bank for auditing reports; (4) auditing of sector reform loans; and (5) development of a case study by working groups of participants. [This course is given exclusively by Bank staff.]

(v) Project Launch Workshops

- 2.18 This workshop is conducted once a loan becomes eligible for disbursements. It is targeted at an executing agency team responsible for project implementation. The logical framework matrix is reviewed and updated, indicators and baseline data are specified, the loan contract is reviewed to ensure understanding of deliverables and reporting requirements, and a draft project schedule is prepared, including responsibility matrix. [This activity is conducted by Bank staff as part

of implementation of Initiative No. 5 of procedures applicable to operations, and is generally financed through the administrative budget.]

2. Adaptation of training modules (US\$250,000)

- 2.19 As a result of the Program's initial two years of execution, the bulk of the courses' development stages have been completed. The funds stipulated above will finance the few follow-up modules remaining to be developed, including the production of a complete manual for the logical framework. The majority of the funds will finance a reproduction and distribution effort aimed at turning these materials into "public goods". CD-ROM and Internet technologies will be utilized in order that staff of executing agencies may have ready access to all instructional guides.

3. Instructor Training (US\$345,000)

- 2.20 In a previous study on regional technical cooperation projects (RE-225), EVO found that programs incorporating instructor training had the most significant impact. Moreover, experience in 1999 showed that important economies could be achieved when the national training centers (ENCs) are able to provide these Bank-related courses as needed. As part of the institutionalization of the Training Program, three core courses have already been transferred to the ENCs through instructor training workshops: Development of Bank-financed Projects, Logical Framework, and Project Management. In 2000, four additional courses will be transferred to the ENCs to complete the process: Monitoring and Evaluation, Institutional Analysis, Environmental Analysis, and Gender Analysis.

4. Program Coordination and Evaluation (US\$100,000)

- 2.21 The Regional Technical Cooperation Division (RTC) will continue to be responsible for the Training Program's execution. Accordingly, the Executing Unit (EU) that managed the Program since its inception will remain in charge of organizing and supervising Program activities and administering and managing Program funds.
- 2.22 In addition, the EU will have other tasks, such as: (i) periodically tracking demand for training; (ii) encouraging the formulation of training strategies for the countries, with guidelines for program resource allocation; (iii) selecting modules for the courses; (iv) approving the schedule of activities; (v) organizing course logistics; and (vi) periodically evaluating program activities so that the system can

be updated continually to match changing needs for training. Based on the guidelines outlined in the following section, "Organization and execution", the EU will prepare a manual for action for the various stakeholders in Program execution.

- 2.23 The EU will continue to operate with one senior staff as coordinator, who will manage the Program and coordinate technical and operational matters, as well as teach certain courses and workshops. Technical and administrative assistants shall be retained to undertake specific tasks.

C. Organization and Execution

- 2.24 The Program will be executed by INT/RTC, though the aforementioned EU. To carry out its functions as described in the preceding two paragraphs, the EU will have the technical capacity to coordinate the Program and will be assisted by a Steering Committee, including staff from each of the three Regional Operations Departments, SDS, ROS, and INT, which will meet periodically to review the Program's activities. Throughout implementation, the EU will remain in close contact with the Regional Operations Departments, the Country Offices, and the INEPs, in order to ensure that programming of courses supports the Bank's pipeline and portfolio, as well as the training requirements of executing agencies.
- 2.25 The Country Offices will take a leadership role, in coordination with the host governments, in determining the demand for training. Furthermore, the Country Offices will play a decisive role in the field supporting Program activities, particularly with respect to the functions of the respective INEPs as described below, and will arrange for logistical support and administration of the funds. The EU will provide a set of operational guidelines to be followed by the ENC's as they provide the courses, which will enable the Country Offices to supervise Program activities efficiently.
- 2.26 The INEPs will submit proposals on training strategies, indicating priorities on the basis of applicability to specific problems in project execution, as well as assist in identifying executing agency staff who will attend the courses.

1. Criteria for selecting course participants

- 2.27 Training should be targeted to executing agency staff directly involved in the preparation and/or execution of Bank financed projects, although Bank staff may also participate. Participants will be selected by the INEPs in coordination with

the Country Offices, based on their functions in their areas of investment loans and technical cooperation projects and programs according to whether they are managerial or technical staff. In addition, preference will be given to employees directly involved in project preparation, execution, and evaluation or in activities directly connected with the Bank.

- 2.28 Normally, participants will attend the set of core courses related to project identification and design (Development of Bank-financed Projects, Logical Framework, Monitoring and Evaluation, and Institutional Analysis) before receiving training in project implementation (Project Management, Procurement, Disbursements). At the end of each course, they will be asked to evaluate the instructors and the course, as well as to make comments on the course's usefulness and applicability to the performance of their functions.
- 2.29 The countries and the Bank will require executing agency staff responsible for future IDB operations to have taken the basic courses related to IDB project implementation (Logical Framework, Monitoring Evaluation, Procurement, and Disbursements) or to take them prior to executing such operations.

2. Institutionalizing the training system

- 2.30 In November of 1998, the EU, along with the INEPs and the respective Country Offices, selected the ENC's in each country that were to participate in the institutionalization of the Program. By signing "letters of understanding" with the Bank, each ENC agreed that it would assume the responsibility of offering most of the Program's courses when required.
- 2.31 As stated in the "letters of understanding" signed by the Bank and the ENC, the ENC's responsibilities are to: (i) adopt the course training modules developed by the Bank; (ii) offer courses to meet the demand in their respective country, on the dates determined by the Bank; (iii) advise the Bank of the schedule of activities and cost of the courses; (iv) conduct tests, examinations and assessments of the courses provided by the Bank; and (v) maintain an ongoing relationship with the Bank, in order to update the content of the courses in light of the needs of the executing agencies and the Bank.
- 2.32 Three of the core courses have been transferred to the ENC's during the first two years of the Program's execution. During the remainder of 2000, four additional courses will be transferred to the ENC's through instructor training workshops (see 3.23). The Procurement, Disbursements, and External Auditing courses will continue to be delivered by Bank staff.

3. Expected outputs of the Program

2.33 By the end of the first six months of implementation, the following outputs are expected to be achieved:

- Updated training strategies for each of the 19 countries, which will continue to be reviewed quarterly. These will make it possible to adjust resource availability and training needs;
- An updated manual establishing operating guidelines for the different entities involved in the Program's activities: EU, ENC's, INEPs and COs;
- Approximately 50 core courses will have been held in the beneficiary countries, with approximately 1,500 executing agency staff trained;
- As a result of three instructor-training workshops, most ENC's capable of offering at least six of the Program's courses, at approximately one-third the previous cost;
- Teaching manuals and supporting materials for instructors will be prepared for the instructor-training workshops for the four courses to be transferred to ENC's.
- Complementary sources of financing of courses generated in the countries, primarily from the budgets of executing agencies;
- Materials for at least three of the core courses included in a Web page for ready access by staff of executing agencies.

2.34 By the end of the Program execution, the following impact is expected:

- 50% of trainees from executing agencies are using the skills learned in their work on Bank-financed projects
- 50% of trainees during Program implementation are financed from sources other than the Program's financing.

D. Reports and Monitoring

- 2.35 The Regional Technical Cooperation Division will monitor the operation with assistance from the Program's Steering Committee and the Country Offices. INEP, Country Office representatives and the EU will periodically attend courses and submit evaluative reports. Instructor reports and participant evaluations will also be collected following all courses. Several specific cases will be evaluated more thoroughly, and an evaluation on the Program's achievements will be available at the end of the year.
- 2.36 The EU will prepare monthly reports on the Program's activities, to be distributed electronically to Country Offices, INEPs, Executing Agencies and relevant Bank units.

E. Costs and Financing

- 2.37 The cost of the Program is up to US\$1,350,000 from the net income of the Fund for Special Operations, provided on a non-reimbursable basis. An overall estimate of costs by activity is provided in Table I.
- 2.38 Funds for the courses and workshops will be distributed among the countries, based on their training strategies. The Executing Unit, with the participation of the Program's Steering Committee, will specify the criteria to be applied for the distribution and use of funds.
- 2.39 Funding priority will be given to the Procurement, Disbursements, External Audit and Logical Framework Courses. When possible, these courses will be incorporated into, and given in conjunction with, the Bank's Project Design and Project Launch Workshops.
- 2.40 The costs incurred for travel and course logistics by the Bank's units and the ENC's in organizing and teaching the courses will be reimbursed from the Program's resources, pursuant to budget policies in force.
- 2.41 The funds will be disbursed pursuant to the Bank's procedures either from Headquarters and/or through transfer of funds to the Country Offices for planned local expenses. The Country Offices will inform the EU regarding the costs related to each course, and will send an authorized budget requesting the transfer

of funds to cover the corresponding expenses. The EU will be responsible for processing the corresponding disbursements through the LMS (Loan Management System).

Table I. Cost of Program Activities

Description	Amount (in US\$)
1. Training Courses (instructors' fees and travel, travel and course fees for participants, expenses related to logistics).	520,000
2. Adaptation of Training Modules (honoraria, travel expenses, and teaching materials involving Bank staff, specialized agency staff, and professionals employed to adjust, prepare, reproduce and distribute course contents for the core courses).	250,000
3. Instructor Training (travel expenses, teaching materials and logistical costs incurred for training of instructors)	345,000
4. Program Coordination and Evaluation (Coordinator and assistants – fees and travel expenses – and expenses related to Program evaluation and operation of Executing Unit)	100,000
4. Contingencies	135,000
TOTAL	1,350,000

III. BENEFITS AND RISKS

A. Benefits

- 3.1 This Program is an important part of the Bank's stand-alone project-related training. As such, it complements other stand-alone as well as embedded training efforts supported by the Bank, and is targeted at executing agencies in countries where problem projects are concentrated. When delivered in a timely fashion, the Program's courses promote interaction between the executing agency teams and Bank project teams, help foster a sense of ownership on the part of borrowers by enabling them to participate in all phases of the project cycle, and enhance implementation by providing clear guidelines for procurement and contracting,

the Bank's reporting requirements, processing disbursements, monitoring and evaluation.

B. Risks

- 3.2 The Program's success is based on several assumptions. First, that Bank project teams will work effectively together with staff of prospective executing agencies early in the design phase in order to facilitate implementation; this, in turn, requires training the executing agency staff in logical framework, institutional analysis, and monitoring and evaluation when projects are still in the pipeline, ideally prior to approval of Profile II. It is assumed that project teams, Country Offices and INEPs will be particularly proactive in programming the training required.
- 3.3 The 1999 Annual Report on Projects in Execution states flatly that "overall weaknesses in the executing agencies was the factor that was most frequently cited as affecting project implementation in 1999." In this connection, a second assumption is that project teams will include training requirements for executing agencies in loan documents and TCs, to be financed preferably from the counterpart contributions. This will help ease the burden of future financing of training away from non-reimbursable regional technical cooperation.
- 3.4 A third important assumption is that ENC's will remain active in the Training Program, sending their best and most experienced instructors to the instructor training workshops, coordinating actively with Country Offices and INEPs in scheduling training, maintaining high quality in the courses delivered, and effectively undertaking the administrative requirements for holding this training. In order to mitigate this risk, "letters of understanding", establishing the national Training Center's responsibilities, have been signed by all ENC's.

IV. EVALUATION

- 4.1 The Executing Unit will continue to conduct evaluations of the progress of the Program taking into account the factors indicated in paragraph 3.32. In addition, an evaluation will be conducted that will include follow-up on the participants and will assess the extent to which the Program's objectives and goals have been accomplished.

Logical Framework: Training Program for Group C and D Countries – 2000/2001

Annex

Objective Summary	Performance Indicators	Means of Verification	Important Assumptions
Project Goals contribute to the improvement of capacity of executing agencies in the design and implementation of Bank-financed operations.			Goal to Supergoal
Project Purpose of executing agencies in the C and D countries trained in courses offered when created by the ENC's and the Bank, on the basis of the Bank's pipeline and portfolio	1.1 The ENC's have the capacity to offer 6 of the Program's courses, by the end of Program implementation. 1.2 50% of trainees from executing agencies are using the skills learned in their work on Bank-financed projects by the end of Program implementation. 1.3 At least 50% of trainees during Program implementation are financed from sources other than the Program's financing.	1.1.1 Evaluation report on the Program, by the EU. 1.2.1 Follow-up survey of course participants carried out by the EU; evaluation report on the Program, by the EU. 1.3.1 Data from course registrations; evaluation report on the Program, by the EU.	Purpose to Goal a. The other two components of the C and D Action Plan continue to be implemented in a satisfactory manner. b. Fiscal conditions in the countries are such as to allow timely disbursements of counterpart financing.
Project Outputs additional courses offered. training modules completed. instructor-training workshops conducted. (program coordination and evaluation)	1.1 Training strategies updated for each of the 19 C and D countries based on the Bank's pipeline and portfolio, 90 days after the start of the Program. 1.2 110 courses provided in the 19 C and D countries (at least 80 core courses) with a total of 3,000 staff of executing agencies trained by the end of Program implementation. 2.1 Manual for the logical framework methodology produced and distributed to executing agencies and ENC's, by the end of Program implementation. 2.2 Materials for 3 core courses included in the Program's Web page by the end of Program implementation. 3.1 Teaching manual and supporting material for 4 courses produced and distributed 60 days prior to each instructor-training workshop. 3.2 Instructor-training workshops conducted for the following 4 courses by the end of Program implementation: Monitoring and Evaluation, Institutional Analysis, Environmental Analysis, and Gender Analysis. 4.1 Monthly reports prepared and distributed electronically to COs, INEPs, executing agencies, ENC's, and relevant Bank units from the start of Program implementation. 4.2 Database of course participants and course evaluations maintained. 4.3 Evaluation report prepared and distributed 60 days following Program implementation.	1.1.1 Copies of the strategies, in EU files. 1.2.1 Database on courses and participants; EU files; evaluation report on the Program, by the EU. 2.1.1 Copy of the manual. 2.2.1 Program's Web page. 3.1.1 Copies of the manuals and materials; reports of the EU. 3.2.1 Reports on each instructor-training workshop; evaluation report by the EU. 4.1.1 Copies of the reports. 4.2.1 Database printouts. 4.3.1 Copy of the evaluation report.	Output to Purpose a. Bank Project Teams work effectively together with staff of prospective executing agencies early in the design phase of projects, in order to facilitate implementation. b. Project Teams, Country Offices and INEPs are proactive in programming training required by executing agencies. c. Project Teams include training requirements for executing agencies in loan documents and TCs, to be financed preferably from the counterpart contributions. d. ENC's remain active in the Training Program, sending their best and experienced instructors to the instructor-training workshops, coordinating activities with Country Offices and INEPs in scheduling training, maintaining high quality in the courses delivered, and effectively undertaking the administrative requirements for holding this training.

PROPOSED RESOLUTION

REGIONAL. NONREIMBURSABLE TECHNICAL COOPERATION FOR A
TRAINING PROGRAM FOR GROUP C AND D COUNTRIES

The Board of Executive Directors

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such agreements as may be necessary and to take such additional measures as may be pertinent for the execution of the plan of operations referred to in Document AT-_____ with respect to a non-reimbursable technical cooperation for a training program for group C and D countries.
2. That up to the sum of US\$1,350,000, or its equivalent in convertible currencies, is authorized for the purposes of this resolution, chargeable to the net income of the Fund for Special Operations.
3. That the above-mentioned sum is to be provided on a non-reimbursable basis.