

TECHNICAL COOPERATION DOCUMENT

I. BASIC INFORMATION

Country:	Regional
TC Name:	Broadband Training Center sustainability (Phase III)
TC Number:	RG-T2734
Team Leader/Members:	Enrique Iglesias (Team Leader, IFD/CMF); Christian Schneider (CMF/CNI); Jeun Inkyung (IFD/CMF); Mónica Centeno-Lappas (LEG/SGO); Jorge Osmín Mondragón (FMP/CNI); and Cecilia Bernedo (IFD/CMF)
TC Taxonomy:	Research and Dissemination (RD)
Date of TC Abstract Authorization:	June 1 st , 2016
Beneficiary:	Nicaragua ¹ , Guatemala, Costa Rica, El Salvador, Panamá, Honduras, and the Dominican Republic
Executing agency and contact name:	Inter-American Development Bank, Capital Markets and Financial Institutions Division (IFD/CMF) Enrique Iglesias (enriqueig@iadb.org)
Donors providing funding:	Broadband Special Program (BBD)
IDB Funding Requested:	US\$200.000
Local counterpart funding:	N/A
Disbursement period:	28 months (execution period: 24 months)
Required start date:	October, 2016
Types of consultants:	Firm and individual consultants
Prepared by Unit:	IFD/CMF
Unit of Disbursement Responsibility:	Institutions for Development Sector (IFD/IFD)
TC included in country strategy:	N/A
TC included in CPD:	N/A
GCI-9 Sector Priority:	Institutions for Growth and Social Welfare

II. OBJECTIVES AND JUSTIFICATION OF THE TC

- 2.1 The Latin American and Caribbean (LAC) countries began developing a wide range of measures to foster the so called “information economy”, which is highly dependent on access to a fast and high quality Internet. An example of these measures are the national broadband plans, a diverse set of initiatives developed in recent years by national LAC governments including Panama, Honduras, Nicaragua and Costa Rica, whose main objective is to accelerate the deployment and adoption of broadband services.
- 2.2 Another challenge for the region is creating capacities among public officers who are in charge of developing policies that aim at fostering the broadband ecosystem. Although many government officers in telecommunications agencies in the region are aware of the significance of broadband for the development of countries, their capability to diagnose problems and to provide appropriate solutions related to the various obstacles in the field is insufficient. This is more apparent in the countries in light of the current broadband development status.
- 2.3 In its efforts of helping the countries create capacities among their public officers dealing with broadband and its applications, the Bank is supporting the involved countries in developing and operating a training center, “*Centro de Estudios Avanzados en Banda Ancha para el Desarrollo*” (CEABAD), which was inaugurated in June 2014 (with the participation of representatives from all the

¹ [Non Objection Letter of the Government of Nicaragua.](#)

beneficiary countries). The CEABAD, headquartered in Managua, focuses precisely on increasing the capacity of government officials to identify areas that require reforms such as: (i) strategic regulation that drives competition and fosters investment; and (ii) policies that focus not only on access but also on demand. To that goal, the CEABAD is providing the countries with two main products: (i) on-site Regional Workshops (RW); and (ii) On Demand Training Courses (ODTC) at the requesting country's facilities.

- 2.4 **Progress of the Center.** Since its first year of operation, the CEABAD has trained more than 250 policy makers from the Central America region through three RW. Additionally, there have been 11 local training courses (ODTC) in topics such as e-government, cybersecurity or analog switch-over. Besides these events, the center has also been the selected venue and organizational partner for several important events in the industry like the workshop of the International Telecommunications Satellite Organization (ITSO) on satellite communications, INTEL's event to discuss universal service funds uses or board meetings of the *Comisión Técnica Regional de Telecomunicaciones* (COMTELCA, which has been a strategic partner of CEABAD). Complete information about the results achieved so far can be found in the center's annual report ([CEABAD - Annual Report](#)). The Center has achieved important milestones towards its sustainability: sponsorships to the events—several private companies, including UFINET, *Telefónica* or CLARO have already agreed to sponsor the event activities with amounts up to US\$5,000. Even though the main focus of the Center is in Central America and the Dominican Republic, other countries from the region have been involved in some of the activities. The future strategy for the Center will consider geographic diversification to serve all Latin American and Caribbean countries.
- 2.5 The Bank's support to the countries for the CEABAD has materialized in three Technical Cooperations ([ATN/OC-14055-RG](#); [ATN/KK-14056-RG](#) – US\$700K (in 2013), [ATN/OC-14508-RG](#) – US\$500K (in 2014) and [ATN/OC-15130-RG](#) – US\$250K (in 2015). Additionally, the CEABAD has received the financial and technical support from the Republic of Korea (US\$427K to date) and from the government of Nicaragua (in-kind) (see ¶4.1).
- 2.6 These three TCs financed the establishment and initial set-up of the broadband training center, which included among others the following activities: (i) organizing regional workshops; (ii) developing on demand training courses (ODTCs); and (iii) developing an action plan for the CEABAD.
- 2.7 **Main Challenges Identified in previous operations.** The main challenges identified during the execution of the previous operations have been: (i) low brand awareness of CEABAD among the regional stakeholders; (ii) difficulties to involve the public and private sectors in the Center's activities; and (iii) difficulties to maintain the Center's operation without external support, i.e. sustainability. Although these challenges are still present, there has been progress in the last years (CEABAD brand is becoming more recognized through the workshops and courses developed, the public and private sectors are collaborating more closely (focal points has been contacted in the beneficiary institutions to improve the relationship) and there has been progress to attain sustainability (as explained in ¶2.4). Additionally, the action plan and components described in this TC are oriented to overcome them.

- 2.8 **Action plan and added value.** This TC will be the last IDB operation that will finance the CEABAD. With this in mind, the operation has a strong focus on developing and executing specific actions to ensure the Center's sustainability. This TC introduces an innovative approach to overcome the identified challenges paying special attention to the organizational and operating plan, reviewing and updating the CEABAD staffing model, developing a funding model and setting clear objectives and indicators of performance for the upcoming years of operation. The possibility of developing strategic partnerships with the beneficiary institutions (see activity 2.1 of Component 2 in ¶3.7) will also be a key element of the sustainability strategy. All these activities along with the evaluation and monitoring mechanisms proposed will contribute to pursue the sustainable operation of the Center. To improve coordination and participation from the beneficiary countries the participation from the IDB Country Offices (COFs) in those countries will be critical. The COFs will work with the CEABAD focal points. Their participation is expected to (i) help creating demand for the CEABAD's services; and (ii) promote dialogue among the COFs and the public officials, contributing to the regional agenda.
- 2.9 **Strategic Alignment.** This TC is aligned with the following criteria defined for the Broadband Special Program (BBD): (i) development of a roadmap with public policies and regulations promoting the digital and institutional ecosystem; (ii) creation of quantitative information that provides evidence about the level of digitalization and impact of broadband on society; and (iii) promotion of strategic partnerships contributing to sustainability. The TC is also aligned with the priorities identified in the IDB's 9th General Capital Increase (GCI-9), specifically the Sector Strategy: "Institutions for Growth and Social Welfare" identifies *improving innovation and productivity* as a major area where the Bank can help the region overcome the challenges that hinder growth and social welfare. To this end, the IDB will work towards strengthening institutions, and has specifically recognized the need to improve policies and governmental action in the Information and Communications Technology (ICT) sector (par.5.21 of the referred Sector Strategy). Consistent with the Strategy, the Bank has been working in the design and implementation of a Broadband Platform to accelerate the penetration rate and usage of broadband services in the Region. The IDB Country Strategy 2012-2017 with Nicaragua identifies the institutional strengthening as a strategic objective (par 3.1). The IDB Country Strategies with the other beneficiaries also establish similar objectives: Panama 2015-2019 (par.3.1), Costa Rica 2015-2018 (par.3.2), El Salvador 2015-2019 (par. 3.12), Guatemala 2012-2016 (par.3.12), Honduras 2015-2018 (par. 6.5) and Dominican Republic 2013-2016 (par. 3.22),
- 2.10 **Objectives of the project.** The objective of this TC is to continue supporting the development of broadband and technology skills and capacities among public officers of the countries.

III. DESCRIPTION OF ACTIVITIES/COMPONENTS AND BUDGET

- 3.1 **Component 1: Development of Content and Brand Awareness.** This component will support the creation of 2 publications, that will be monographs owned by the IDB, as well as new content for ODTs and in the knowledge sharing and training activities in RWs. The target audience will be mid-to-high level officials from ministries and regulatory agencies that either lead or deal with broadband and technology services. RWs will have an audience of about

40 participants per course from the seven beneficiary countries and ODTCs will depend on the specific country's demand. The activities developed under this component will contribute to improve CEABAD brand awareness. Specifically, the courses are expected to have a significant impact on the Center's branding and regional recognition. Therefore, this component will include the following activities:

- 3.2 **Activity 1.1: Development of publications.** This activity will finance the tasks to develop two publications around the main topics of interest for the region. The target audience of this publications will be mid-to-high level officials from ministries and regulatory agencies that either lead or deal with broadband and technology services and also officials in charge of other sectors (such as education, health or agriculture) that are interested in applications based on broadband. In order to select the topics for the publications, the CEABAD focal points jointly with the IDB COFs will survey the beneficiary institutions periodically and submit reports to the CEABAD HQs. CEABAD staff will select the two main topics among the countries selections. All the publications developed under this TC will be the sole and exclusive property of the Bank. These two publications will be monographs according to the IDB's knowledge product classification.
- 3.3 **Activity 1.2: Organization and execution of two Regional Workshops (RW).** This activity will finance the tasks to organize and conduct two on-site RWs at the CEABAD where officials from the countries will be able to discuss about new topics and trends in the sector. The workshops will include varied topics such as: broadband applications for development (in sectors like financial markets, agriculture, education, manufacturing, commerce, tourism, government or health), IXPs and data centers, women entrepreneurship, spectrum management and critical infrastructure protection. Additionally, international experts and practitioners will be brought to lead the workshops in an effort to bring best practices from all over the world.
- 3.4 **Activity 1.3: Development of seven On Demand Training Courses (ODTC) in the facilities of the countries requesting the service.** This activity will finance the design, preparation and delivery of specific courses requested by the countries on aspects of key importance for them. In particular, as part of this activity, international experts from all over the world will be brought to the beneficiary institution. There will be specific activities to promote knowledge transfer to the trained officials. The process will be initiated in the CEABAD and will follow these steps: (i) the CEABAD focal points in each one of the beneficiary countries will gather the main topics of interest; (ii) the topics will be analyzed in the CEABAD and there will be a proposed timeline for ODTCs to be developed; (iii) the timeline and format will be agreed with the beneficiary countries; (iv) CEABAD staff (and selected experts if needed) will deliver the training at the beneficiary institution premises; (v) after the training there will specific activities to promote knowledge transfer and support the replication of the course inside the beneficiary institution.
- 3.5 **Activity 1.4: Support the development of local applications.** This activity will finance the design, preparation and development of an event that will attract local developers to work together in innovative applications and solutions to address the region's problems. The event will be held in the CEABAD's headquarters in Managua and the main topic will be "Broadband Applications for Development". Students, software developers, graphic designers, marketing professionals as

well as potential beneficiaries from the region will be invited to participate. The event will also include training in business development, design thinking and entrepreneurship. Even though this TC will not finance the winning solutions, it will focus on attracting private and public partners that can work on the implementation.

- 3.6 **Component 2: Development of the Business and Operating Plans for CEABAD.** This component will support the CEABAD in developing its business and operating plans which will contribute to the Center's sustainability. Therefore, this component will include the following activities:
- 3.7 **Activity 2.1: Development of strategic partnerships with different stakeholders (e.g. academia, private sector, beneficiary countries).** In order to continue building strategic partnerships² that help achieve the sustainability objectives by promoting CEABAD's brand, activities and value added, this activity will finance among others: (i) course certifications with the private sector (CISCO, ITU.); (ii) course certifications by universities; (iii) developing of joint modules with key partners from the private sector; (iv) cooperation from participant countries sending representatives to attend the courses and covering their expenses; and (v) on-demand courses covering consultant expenses, by the countries; (vi) activities to promote contributions from the beneficiary countries to further develop the Center capabilities (including high level meetings and newsletters to public officials).
- 3.8 **Activity 2.2: Development of content that showcases CEABAD's progress and operations.** This activity will finance an annual report with the goal of strengthening CEABAD's brand and positioning in the region and attracting potential partners. The annual report will present the yearly results and the major findings and achievements obtained during the RWs, ODTCS and any other activities. The report will show the indicators contained in the matrix of results at the end of this document (see Table 3.2). The report will show detailed information of the courses results, including the participants per country and per institution. This TC will cover the expenses for only one annual report. After this the Center will be responsible to continue developing and publishing the report.
- 3.9 **Activity 2.3: Definition of an organizational and operating plan for CEABAD.** This activity will finance the activities to develop an organizational and operating plan for CEABAD after IDB financial support ends (around mid-2018). The plan will take into account results from activity 2.1 and will include: (i) CEABAD's staffing model; (ii) funding model, including potential public and private partners; (iii) forecast budget for the first three years of operation with the Center's own resources; and (iv) objectives for the first three years of operation along with performance indicators to measure the center's success.
- 3.10 **Component 3: Dissemination** This component will support the dissemination and promotion of CEABAD's brand along with its products and services. Specifically, it will support activities to promote the Center's mission throughout the region, including the participation in regional events and the promotion of the regional dialogue from CEABAD. The marketing plan will have a strong focus on social media. The Center will also send periodical communications to e-mailing lists that

² The case is expected to be more attractive to partners thanks to the successful years of operation and the results achieved to date. Also CEABAD public and private networks are fairly developed.

include not only the targeted institutions but also private sector companies and the academia. Additionally, the regional workshops will be used to promote the CEABAD results and strategic partnerships.

- 3.11 **Evaluation:** In addition to the aforementioned components, and during the second year of execution, this TC will finance a consultancy to develop an independent evaluation of the Center's activities to date. The evaluation will assess whether the CEABAD training has contributed to the development of public policies in the beneficiary countries.
- 3.12 **Expected results.** As a result of this project, it is expected that: (i) CEABAD's brand becomes more recognized throughout the region and more content is available to the countries through the two publications developed along with the RWs and the ODTs held; (ii) CEABAD's annual report is published, its business plan is executed and the organizational and operating plan for the upcoming years is well defined with strategic partners from the public and private sectors involved in the project; and (iii) CEABAD becomes a key stakeholder in the regional dialogue.

Table 1. Indicative Results Matrix

Suggested indicator	Measurement Unit	Base-line	Baseline Year	Target at the end of the TC	Means of Verification	Expected Date
Outcome Statement: Increased government awareness and understanding of the current status of broadband in the beneficiary countries, additional related action to accelerate the penetration, adoption and use of broadband services, and better understanding on how broadband could be a catalyzer for regional integration.						
Outcome Indicators:						
Public officials trained by CEABAD	#	250	2016	400	Annual Report	2018
Output Indicators:						
Component 1: Development of Content and Brand Awareness.						
• Two publications published	Publications	0	2016	2	Annual Report	2017-2018
• Two regional workshops (RWs) organized.	Workshops	2	2016	4		2017
• Seven on demand training courses (ODTs) in the facilities of the countries requesting the service developed and participation in this courses increased	Courses Participants	5 250	2016 2016	12 400		2018
• First regional Hackathon in CEABAD developed	Events	0	2016	1		2016
Component 2: Development of the Business and Operating Plans for CEABAD.						
• Strategic partnerships with different stakeholders with specific contributions and counterpart resources developed.	Strategic partnerships	2	2016	5	Annual Report	2018
• Content that showcases CEABAD's progress and	Annual Reports	1	2016	2	IDB Docs	2017

Suggested indicator	Measurement Unit	Base-line	Baseline Year	Target at the end of the TC	Means of Verification	Expected Date
<ul style="list-style-type: none"> operations developed. Organizational and operating plan developed 	Plan	0	2016	1	IDB Docs	2017
Component 3: Dissemination. <ul style="list-style-type: none"> Regional events attended. 	Events	0	2016	2	Annual Report	2018
<ul style="list-style-type: none"> Independent evaluation developed. 	Evaluation	0	2016	1	IDB Docs	2018

3.13 The supervision of this TC will be coordinated from the IDB headquarters by the Team Leader. Additional costs for project supervision are not expected.

3.14 The total cost of this TC is US\$200,000 that will be financed with non-reimbursable resources from the Ordinary Capital of the Bank through the Broadband Special Program (BBD).

Table 2. Indicative Budget (US\$)

Components	IDB	Total
Component 1: Development of Content and Brand Awareness	105,000	105,000
Component 2: Development of the Business and Operating Plans for CEABAD	65,000	65,000
Component 3: Dissemination	15,000	15,000
Other: Final Evaluation	15,000	15,000
Total	200,000	200,000

IV. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 4.1 As per the previous three TCs mentioned above, the executing agency will be the Bank through IFD/CMF Division, which will operate in coordination with the government of the host country (see [Non Objection Letter of the Government of Nicaragua](#) for this operation) and the rest of the beneficiary countries. The justification for the Bank executing this TC is: (i) Nicaragua requested it (see [Non Objection Letter](#)); (ii) technical, operational and institutional weaknesses of the counterpart; (iii) it is a regional project and execution by a beneficiary country might complicate coordination; (iv) it needs extensive partnership with international organizations, academic institutions and private firms; and (iv) the former TCs that supported the creation and development of the Center were executed by the IDB.
- 4.2 **Procurement.** The Bank will contract individual consultants and consulting firms in accordance with current Bank procurement policies and procedures. For more information see the Procurement Plan attached to this document (Annex II).
- 4.3 Prior to the start of activities in any of the beneficiary countries, the Team Leader will ask for non-objection from the Government authorities.

V. MAJOR ISSUES

- 5.1 This project entails risks that could potentially affect the impact and quality of the training and the sustainability of the Center: (i) institutional risks: how to involve

the beneficiary countries in the Center's operation and effectively collect and address each country's demands and interests, and accurately reflect them into the training courses; (ii) technical risks: how to ensure that the quality of the training meets the highest standards at the international level; and (iii) financial risks: how to make the training center sustainable after the three-year commitment. The first risk will be mitigated by involving representatives from the countries in the Center's strategic decisions and following a country centric approach in developing and designing the courses and contents, meaning that the content will be developed in accordance to the needs of the countries. The second risk will be mitigated by the evaluation proposed in this TC, which will identify possible obstacles and will contribute advice to meet the highest international standards. The third risk will be mitigated reaching out strategic partners interested in contributing to CEABAD with financial and in kind resources that contribute to the sustainability of the training center. Since this is the last year of contribution to the CEABAD, an organizational and operating plan will be defined as part of the implementation of this TC.

VI. EXCEPTIONS TO THE POLICY OF THE BANK

- 6.1 There are no exceptions to the policies of the Bank.

VII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 7.1 Given the nature of this TC there are no social or environmental risks associated with it. This operation is classified as a Category "C" according to the Environment and Safeguards Compliance Policy (OP-703) (See: [Safeguard Policy Filter Report](#) and [Safeguard Screening Form](#)).

Required Annexes:

Annex I: [Terms of Reference \(ToR\)](#)

Annex II: [Procurement Plan](#)

BROADBAND TRAINING CENTER SUSTAINABILITY (PHASE III)

RG-T2734

CERTIFICATION

I hereby certify that this operation was approved for financing under the Broadband Special Program (BBD) through a communication dated June 1, 2016 and signed by Su Hyun Kim (ORP/GCM). Also, I certify that resources from said fund are available for up to US\$200,000 in order to finance the activities described and budgeted in this document. This certification reserves resource for the referenced project for a period of four (4) calendar months counted from the date of eligibility from the funding source. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this operation. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, represent a risk that will not be absorbed by the Fund.



Sonia M. Rivera
Chief
Grants and Co-Financing Management Unit
ORP/GCM

09/15/2016
Date

Approved:



Juan Antonio Ketterer
Division Chief
Capital Markets and Financial Institutions Division
IFD/CMF

09/19/2016
Date