

CHILE
JOB COMPETENCIES CERTIFICATION PROJECT

(TC-98-08-04-1)

EXECUTIVE SUMMARY

Executing agency:	Fundación Chile		
Beneficiaries:	Present and future workers and employers in the construction, mining and tourism sectors, as well as training institutions and the National Training and Employment Service (SENCE).		
Objective:	The project's general objective is to lay the institutional and methodological foundations for developing a national system of job competencies certification, by way of a pilot certification and training initiative using the job-competencies approach. The pilot scheme will take in the construction, mining, and tourism sectors.		
Cost and financing:	Modality:	Grant from the Human Resources Facility (II)	
	Beneficiaries:	US\$2,025,000	(51.6%)
	MIF:	<u>US\$1,900,000</u>	<u>(48.4%)</u>
	Total:	US\$3,925,000	(100.0%)
Exception to policies and procedures:	An exception to the Bank's policies and procedures is requested for the direct hiring of services from Consejo de Normalización y Certificación de Competencia Laboral [Standardization and Job Competency Certification Board] (CONOCER), a specialized private nonprofit organization based in Mexico. The cost of these services will be US\$156,000. The specific aim is to gain access to the competencies database developed in that country and obtain technical support services related to the use and adaptation of this information (paragraph 8.1).		
Special contractual conditions:	As a condition precedent to the first disbursement, the executing agency must demonstrate to the Bank that: (a) the Project Executive Board has been established (paragraphs 4.2 and 9.1) and (b) the project's Operating Regulations are in effect (paragraphs 4.4 and 9.1).		

I. COUNTRY ELIGIBILITY

- 1.1 On October 6, 1995, the Donors Committee declared Chile eligible for all forms of Multilateral Investment Fund (MIF) financing. The proposed project is eligible for financing under the MIF Human Resources Facility, since its purpose is human capital development based on the concept of job competencies, to enable the private sector to adapt more nimbly to new production patterns that are emerging out of the globalization process. The project is also concordant with the Bank's country strategy, given its aim of increasing business productivity and competitiveness.

II. FRAME OF REFERENCE

A. Background

- 2.1 For over a decade now Chile has posted significant rates of sustained economic growth, with inflation and unemployment both in the single digits. During the past year, however, the growth of gross domestic product has slowed (with close to zero growth expected for 1999) and the unemployment rate has risen sharply. The open-economy model, which still relies heavily on the primary sector and natural resources, faces considerable challenges for the future. The country needs to strengthen its capacity for innovation, develop new products with greater knowledge and technology content, and position itself in more dynamic and demanding segments of the international market. Competitive pressures ensuing from real wage growth and the path of the exchange rate are already pointing to an exhaustion of "easy" increases in competitiveness.¹ Despite the positive trends observed to date there is a widely-held view that the Chilean economy needs to do more to secure its future.
- 2.2 The increasing openness of the economy and the globalization of markets are creating a new climate of competition which is ever more intense. The competitive advantage of businesses stems increasingly from intangible factors, especially those based on scientific knowledge, technological know-how, and worker performance. It is crucial for firms to have clear performance standards that enable them to optimize their human resources management. Workers also need such standards when mapping out their careers, so they can update and enhance their skills.
- 2.3 At present, pronounced information asymmetries between firms and workers are generating significant imperfections in the labor market. These include high transaction costs as well as entry barriers and rigidities that affect the horizontal and vertical mobility of the work force. In the Chilean labor market these asymmetries are accentuated because there is no information available on the characteristics of

¹ "Educación, Ciencia y Tecnología: Diez propuestas para la competitividad en Chile" [Education, Science and Technology: Ten Proposals for Chilean Competitiveness]. Santiago, November 1996.

different levels of the labor force, despite the existence of abundant information on job training. Moreover, there are serious shortcomings in worker training and significant mismatches between workers' skills and businesses' needs in terms of job competencies.

- 2.4 These shortcomings move many firms to invest heavily in staff selection, recruitment and induction processes and in training for their workers, in a system that often forces them to use preexisting courses which vary greatly in terms of relevance and quality. Meanwhile, individuals who in the course of their working career have acquired skills useful for their jobs find it impossible to accredit their competencies; this leads to inequity, the under-use of human resources and economic losses.

- 2.5 The situation described above accounts in part for low productivity among much of the country's labor force. Table II-1 shows average productivity of the Chilean worker in 1994 compared to six other countries. Leaving aside the methodological problems inherent in this type of measurement, figures like these help to demonstrate the magnitude of the task facing Chile in terms of raising labor productivity.

Table II - 1
Average worker productivity in 1994*

Country	US\$/hour worked
Greece	14.21
Argentina	12.72
Portugal	10.29
Korea	8.32
South Africa	6.31
Chile	4.36
Brazil	3.98

* Productivity expressed in U.S dollars of gross domestic product.

Source: IMD, 1995.

- 2.6 The problems indicated above suggest shortcomings that can only be addressed through comprehensive responses that take a long-range view. In this context, the development of job competencies certification systems has been recognized as an attractive and viable strategy by a growing number of industrialized countries and by less advanced countries as well, including several in Latin America.²

B. Job competencies and certification in Chile

- 2.7 Chile has no national system for certifying job competencies. As a result, workers have no way of gaining official recognition, from a job standpoint, of skills acquired during their career. Businesses, for their part, lack information flows that are crucial to the management of their human resources over the entire cycle of selection, management, development, severance and relocation.

² Specifically the following projects: ATN/MH-5333-ME, approved in 1996; ATN/MH-6050-BR, approved in 1998; and ATN/MH-6605-AR, approved in July 1999. The RE1/SO1 files contain a CINTERFOR document which summarizes the state of the art on competency and certification models.

- 2.8 Nevertheless, in recent years the private sector has been showing increasing interest in the area of job competencies. The “competency-based human resources management” approach has been adopted by major companies in the financial, telecommunications, and mining sectors as a management philosophy that can combine the pursuit of a business’s goals and strategies with managing employees’ performance and making the most of their talents. Chile’s construction-sector training agency (Corporación de Capacitación de la Cámara Chilena de la Construcción) has devised job profiles and implemented a job skills certification program for workers in the construction sector. Over 12,000 workers have undergone written assessments. However, there is a consensus that this approach needs to be reworked; in particular, the job profiles devised need to take account of more than just the technical dimension of the jobs.

III. THE PROJECT

A. Objective

- 3.1 The project’s general objective is to lay the institutional and methodological foundations for developing a national job competencies certification system, through a competencies-based pilot certification and training initiative. The pilot operation will take in the construction, mining, and tourism sectors.
- 3.2 The specific aims of the project are to: (i) develop an institutional framework to coordinate the various stakeholders; (ii) identify, for each participating productive sector, competency areas where standards and certification mechanisms would be relevant and useful; (iii) define and validate a set of job competencies with each participating productive sector; (iv) design a system for evaluating and certifying job competencies, including criteria, procedures and instruments; (v) design the framework of a system for evaluating training-program quality in the competency areas covered by the project; (vi) run a test of the mechanisms for assessing and certifying defined competencies on a set of workers and businesses from the participating sectors; (vii) position and disseminate the system’s services/products; and (viii) design and propose an institutional and financial platform for the system in steady-state operation.

B. Description

- 3.3 Setting up a national competencies certification system is a gradual process. In the case of Chile, a proposed initial step is to carry out a pilot initiative in three sectors: construction, mining and tourism. These industries have been selected because of the need to give priority to sectors that are highly sensitive to quality problems in the product or service they supply. This strategy of gradually incorporating different productive and services sectors will make it possible in the medium term to design

a certification project at the national level, as greater institutional and technical expertise is acquired.

- 3.4 The project consists of three components: (i) institutional coordination; (ii) technical design of the competency certification system; and (iii) validation of the system. The activities to be funded with project resources include the hiring of short- and medium-term technical support services, seminars, communication and diffusion materials, and basic equipment for the project unit (fax, computer hardware, furniture). Local counterpart funds will finance technical visits to countries with certification systems similar to the one being proposed here (see Annex in the RE1/SO1 technical files).
- 3.5 **Institutional coordination** (US\$462,800). Under the leadership of Fundación Chile, the project will bring together the **public sector**, represented by the Ministry of Labor and the National Training and Employment Service (SENCE), and the **private sector**, represented by Confederación de la Producción y del Comercio [Producers and Business Confederation], Cámara Nacional de Comercio, Servicios y Turismo [National Business, Services and Tourism Association], Cámara Chilena de la Construcción [National Construction Association], and Consejo Minero [Mining Industry Board], as well as **labor representatives** from participating productive sectors. This component will establish the mechanisms and working procedures needed for the project.
- 3.6 **Technical design of the system** (US\$2,139,800). This component involves the following: (i) studies to identify critical competency areas in each of the productive sectors; based on the economic, business, and labor-force profile of each sector, the studies will identify relevant and useful job functions for which nationally valid standards and certification mechanisms can be established; (ii) defining and validating job competencies for each sector – their respective units, elements, performance criteria, fields of application and assessment guidelines; (iii) designing competency assessment and certification systems, a regulatory framework, procedures and instruments for evaluating and certifying job competencies; and (iv) designing a training-quality certification system. Based on the job competency standards defined in the project, criteria and mechanisms will be devised to ascertain to what extent training courses currently available in the national market meet both the needs of productive sectors participating in the project and the requirements of the job competencies approach.
- 3.7 **System validation** (US\$802,000). This includes: (i) tests of viability, effectiveness and relevance: the procedures and instruments devised for competency assessment and certification will be applied to a set of workers from the participating productive sectors; (ii) positioning and dissemination of products/services with the aim of raising the profile of the job competencies approach among participating sectors, while also spurring demand for services and products associated with the proposed assessment and certification system; and (iii) design of an institutional

and financial proposal for the system in steady-state operation, in which the principles, regulatory framework, organization, actors/roles and financing mechanisms will be defined so as to give institutional and financial sustainability to the national system for certification of competencies and training quality.

- 3.8 The project's main outputs and findings will be made available to participating businesses, trade associations from the respective sectors, training agencies, SENCE, and institutions subscribing to the competency and training-quality certification processes. They will also be made available to the Ministry of Education and schools as an input into curriculum design and improvement in primary and secondary education (see Annex in RE1/SO1 technical files).

IV. EXECUTION

- 4.1 The project will have an execution period of 36 months and a disbursement period of 45 months. The executing agency will be Fundación Chile operating through the project unit (PU). The Fundación, an autonomous private nonprofit organization, will also play a coordinating role in reconciling private-sector interests with public- and labor-sector concerns. The institutional framework needed to coordinate and link the various participating entities entails the creation of various bodies such as a Project Executive Board (CDP) and Technical Committees in each participating sector (see Annex in RE1/SO1 technical files).
- 4.2 Members of the **CDP** will be: (i) the Ministry of Labor representative, as chairman; (ii) the director general of Fundación Chile who will serve as executive secretary; (iii) the national director of SENCE; (iv) the presidents of Cámara Chilena de la Construcción, Cámara Nacional de Comercio, and Consejo Minero; and (v) one worker representative from each industry association. The CDP will have the following main functions: (i) provide strategic guidance to the project; (ii) approve the regulatory framework for defining job competencies; (iii) approve the regulatory framework for job competency evaluation and certification systems; (iv) regulate the admission of new product and service sectors to the competency certification system; and (v) sanction the proposed institutional framework for the national competency certification system.
- 4.3 The **Technical Committees** will be responsible for directing and assessing activities in their respective sectors. Apart from being the sectoral liaisons with the PU, their chief function will be to sanction the validity of the competencies that are ultimately defined. Their membership will vary according to the institutions representing the different sectoral interests.
- 4.4 The **PU** will have the following main functions: (i) manage arrangements to set up the project's different institutional levels, providing technical support for operation of the CDP and Technical Committees; (ii) arrange the production of sectoral

analyses; (iii) provide technical and methodological support for validation and standardization of the development of competencies; (iv) organize competency certification actions in businesses from participating sectors; (v) support the assessment, training, and certification processes undertaken; (vi) assist sectors in identifying and training the human resources who will have a say in defining competencies; (vii) acquire or incorporate technologies used and lessons learned in other initiatives elsewhere in the world; (viii) devise and implement a strategy for disseminating the project; (ix) design and implement supervision, monitoring, and evaluation activities; and (x) design a methodology for evaluating the project's impact. The PU will consist of a project chief reporting to senior management of the Fundación for the tasks indicated above, an international expert, and two local specialists. It will have secretarial and administrative support and will be able to draw on the administrative structure of the Fundación for functions relating to resource management, accounting, and reporting to the Bank. In implementing the project the PU will follow the guidelines set out in the Operating Regulations.

- 4.5 **Readiness.** The design, budget and activities contemplated in the program have been developed jointly by the Fundación and the Bank team. It is expected that the conditions precedent to disbursement of the funding will be fulfilled speedily (see paragraph 9.1) inasmuch as: (i) the final draft of the Operating Regulations has been reviewed by the project team; (ii) it has been demonstrated that counterpart resources have been committed both by participating sectors and by Corporación de Fomento; and (iii) the Fundación has in its possession copies of letters from sectoral organizations stating their commitment to work together, and has forwarded copies to the Bank. The conditions precedent to the first disbursement are therefore expected to be fulfilled in a timely manner (see paragraph 9.1).

V. COSTS AND FINANCING

- 5.1 The total cost of the program is estimated at US\$3.9 million, of which US\$1.9 million will be a MIF grant and US\$2 million will be local counterpart funds. The detailed calculations and sources of the local counterpart can be found in the operation's files (see Annex in RE1/SO1 technical files). Table V-1 shows the consolidated budget by component.

Table V-1
Consolidated budget by component
(US\$000)

Component/Budget category	Local contribution	MIF	Total	%
I. Project unit	211.4	139.3	350.7	9
1. Staff	207.1	118.4	325.5	
2. Equipment and furniture	4.3	20.9	25.2	
II. Institutional coordination	243.8	219.0	462.8	12
1. Human resources	155.2	-	155.2	
2. CONOCER databases and equipment	32.5	112.9	145.4	
3. Consulting services	21.0	106.1	127.1	
4. Travel	25.7	-	25.7	
5. General expenses	9.4	-	9.4	
III. Technical design of the system	1,264.5	875.3	2,139.8	55
1. Human resources				
2. Consulting services	1,005.6	-	1,005.6	
3. Travel	156.7	748.9	905.6	
4. General expenses	81.3	126.4	207.7	
	20.9	-	20.9	
IV. System validation	251.0	551.0	802.0	20
1. Human resources	236.1	-	236.1	
2. Consulting services	9.3	534.7	544.0	
3. Travel	-	16.3	16.3	
4. General expenses	5.6	-	5.6	
Subtotal	1,970.7	1,784.6	3,755.3	
V. Evaluation	-	51.0	51.0	1
VI. Contingencies	54.3	64.4	118.7	3
TOTAL	2,025.0	1,900.0	3,925.0	100

- 5.2 A revolving fund equivalent to 10% of the financing resources is considered advisable.

VI. MONITORING AND EVALUATION OF THE PROGRAM

- 6.1 The project has a monitoring and evaluation component with specific benchmarks in each component. The aim is to have timely information available so that activities can be redesigned or adapted as the project proceeds. Each component and phase will be assessed against its aims, using specific parameters and indicators. Details of these are given in the logical framework appended as Annex VI-1.

- 6.2 **Impact evaluation.** The project's impact will be assessed to gauge its effect on the participating productive sectors, especially in terms of the visibility, legitimacy and acceptance of the assessment and certification mechanisms implemented by the institutional stakeholders concerned; changes in the demand for assessment and certification services and products; effects on the supply of training, and beneficiary groups' perceptions.

VII. PROJECT RATIONALE, RISKS AND SUSTAINABILITY

A. Rationale for the project

- 7.1 Experience shows that, without deliberate efforts to coordinate the public and private sectors, neither individuals nor businesses will take the measures needed to undo the low competencies/low quality equilibrium and move toward a high competencies/high quality situation. In this context, the agreement reached between the public and private sectors is an opportunity to introduce the competencies approach in Chile.³
- 7.2 The competencies certification system⁴ will, among other things, provide a tool with objective parameters for measuring levels of job competency in relation to performance levels required by a specific occupation, industrial process or technological application. It will also make it possible to provide practical guidance to businesses, the public sector, training agencies and the work force in general, on pertinent information relating to the labor force. Implementation of the competencies certification system will be timely and, to some extent, facilitated by the climate of recession and unemployment in which the country has been living over the past year (see paragraph 2.1).
- 7.3 As a parallel feature, the quality of training will be enhanced as systems are developed to assess the quality of education/training programs in terms of their relevance and tie-in with companies' real requirements, expressed objectively in terms of job competencies that they themselves have defined as important. Accordingly, a program to certify the quality of training and education programs will be a natural offshoot of the development of competency certification programs.
- 7.4 The development of a national competencies certification system in Chile will draw specifically on experience gained in the United States, England, Canada, Australia

³ The chapter on program execution discusses the agreement reached between the public and private sectors and the coordinating role to be assumed by Fundación Chile, as the project's executing agency, over the life of the program.

⁴ Defined as "the real capacity to achieve or exceed a target or result, at a specified quality level and within the internal and external context of the organization" (Dubois, 1993, p. 321).

and Mexico. The training sectors in these countries display considerable momentum, and organizations have been created around this to promote policies and programs, approve standards, and certify individuals' competencies as the direct result of their training. Although there are significant differences among the institutional strategies pursued by these countries in developing their job competencies certification systems, in every case a critical factor for success has been wholehearted participation by the business community. Systems of competency certification with no tie-in to the business and productive world rapidly lose relevance and legitimacy. The various initiatives already under way in Chile in this area will also be taken into account and built upon.

B. Risks

- 7.5 The greatest risks of the program have to do with its innovative nature, which raises uncertainties about long-term commitment from the social actors involved in constructing the competencies certification system, and its sustainability after MIF funding comes to an end. The structuring of a realistic job competency certification system requires active participation by employers and workers, who may take time to recognize the advantages such a system could hold for them. Often employers do not want to become involved for fear of giving away information that could be used against them (production methods and work organization). Some employers fear that unions will make exaggerated wage demands, based more on workers' "credentials" than on their actual work. Unions, for their part, often oppose this type of initiative, suspecting that employers will use these tools to set performance standards that are too high or use competency standards to assess workers unfairly. To counter potential resistance to a job competency certification system on the part of the various stakeholders, active participation by employers and workers is envisaged at each stage of its design, implementation, and evaluation. In addition, financing will be made available for a sustained awareness-raising campaign among employers and workers during the execution of the program.
- 7.6 The project team has expressed concern at the lack of official input by workers into the preparatory stages of the project, as this could hinder their involvement and acceptance of the planned processes and thereby impair the system's credibility. However, union representatives have been included on the Project Executive Board, thus giving the labor sector a strong voice. Furthermore, a special effort will be made during components 2 and 3 to circulate information among unions and seek their active participation in the sectoral Technical Committees.

C. Sustainability

- 7.7 An effective system of competencies certification must be kept permanently up to date. This entails costs in terms of occupational analyses, identification of competencies, writing and validation of standards, design, construction and validation of assessment instruments, and the organization needed to administer

competency tests. It is therefore important, for the sustainability of the project, to continue with collective financing of the system by businesses/unions in each sector. To some extent, this is likely to depend on the outcome of the pilot initiatives funded by the operation proposed here. However, the implementation of the proposed activities and the results of sectoral pilot initiatives are expected to generate a positive demonstration effect, which in turn will raise awareness of the benefits to be gained and elicit a commitment from social actors to maintain the system (see Annex in RE1/SO1 technical files).

VIII. EXCEPTION TO POLICIES AND PROCEDURES

- 8.1 An exception is being requested to the Bank's policies and procedures, for the direct hiring of services from Consejo de Normalización y Certificación de Competencia Laboral [Standardization and Job Competency Certification Board] (CONOCER), a specialized private nonprofit organization based in Mexico. The cost of these services will be US\$156,000. The specific purpose is to gain access to the competencies database developed in that country and obtain technical support services related to the use and adaptation of this information. It should be noted that the CONOCER database is unique in the region, and also has extensive statistical data on the different occupations in the sectors covered under the project.

IX. SPECIAL CONTRACTUAL CONDITIONS

- 9.1 The special contractual conditions pertain to the first disbursement, i.e. (i) creation of the Project Executive Board and (ii) implementation of the project's Operating Regulations.

X. ENVIRONMENTAL AND SOCIAL IMPACT

- 10.1 The abstract of this operation and the corresponding memorandum of eligibility were considered by the Committee on Environment and Social Impact (CESI) on February 12, 1999. The Committee recommended applying a gender perspective when defining and describing competencies, to avoid any potential discrimination against female workers.

LOGICAL FRAMEWORK
JOB COMPETENCIES AND TRAINING QUALITY CERTIFICATION PROJECT – FUNDACIÓN CHILE

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
OBJECTIVE: Carry out a pilot system for assessing and certifying job competencies and training	<ul style="list-style-type: none"> Regulatory components of a job competencies certification system agreed on among participating institutional stakeholders. Grand total of 50 Competency Units defined and validated nationally for at least three productive sectors. Pilot assessment and certification initiative involving at least 500 workers from at least three productive sectors. Design of competency-based training program certification is ready to be applied. Participating stakeholders show greater interest in job competencies and training quality certification systems and view them as more relevant. Proposal for an institutional and financial platform to support a national job competencies and training quality certification system, ready to be discussed by public- and private-sector stakeholders. 	<ul style="list-style-type: none"> Final report on the project with technical documents containing designs, policies, procedures, instruments and evaluations. Report listing the 50 defined, validated and sanctioned Competency Units and feedback from those participating in their validation and sanctioning. Records of assessments made of workers participating in the pilot initiative. Certificates awarded to workers participating and successfully completing the pilot operation. Document containing design of system for competencies-based training program certification, together with application plan. Reports from private- and public-sector participants containing their assessment and perception of the project's outcome. Document containing proposal for institutional framework, including a preliminary study of costs and financing of the system. 	<ul style="list-style-type: none"> Agreement between public and private sectors to promote the development of a system for certifying job competencies and training quality. Participation in the competency certification pilot initiative by workers from three productive sectors, at the employer-association level. C
II. INSTITUTIONAL COORDINATION			
Institutional arrangements for the project.	<ul style="list-style-type: none"> Functioning of project's Executive Board and Sectoral Committees. 	<ul style="list-style-type: none"> Reports and documents. Minutes of Board meetings. Agreements signed with sectors involved. Monitoring study report. 	<ul style="list-style-type: none"> Agreements between public and private sectors to develop a system for certification of competencies and training quality. Productive sectors make human resources available for the project.

AIMS	INDICATORS	MEANS OF VERIFICATION	ASSUMPTION
B: TECHNICAL DESIGN OF SYSTEMS FOR THE ASSESSMENT AND CERTIFICATION OF COMPETENCIES AND TRAINING QUALITY			
OBJECTIVE 1 Identify competency areas in each productive sector.	<ul style="list-style-type: none"> At least three competency areas identified in each productive sector. 	<ul style="list-style-type: none"> Report on sectoral studies and analyses. Monitoring study report. 	<ul style="list-style-type: none"> Secondary information is available from the sector under study participated directly.
OBJECTIVE 2 Define and sanction job competencies	<ul style="list-style-type: none"> Grand total of 50 Competency Units defined, validated, and sanctioned by key stakeholders in the three participating productive sectors. Methodology for defining, validating and sanctioning competencies is developed and systemized for later use. At least 40 people have acquired know-how in methodologies of functional analysis and definition of competencies. 	<ul style="list-style-type: none"> Document containing functional maps with Competency Units defined and validated by the productive sectors. Document containing consensus-based methodology for defining, validating and sanctioning job competencies. Record of the process (firms, number of participants, meetings). Monitoring study report. 	<ul style="list-style-type: none"> Project assures institutional ownership including putting into practice Steering Committees, Technical Secretariats and Technical Groups. The project validates competency definitions for each sector and
OBJECTIVE 3 Design competencies assessment and certification.	<ul style="list-style-type: none"> Design of procedures and instruments for assessment and certification, incorporating good practices from international experience. Approval of procedures by the project's Executive Board, made available for application in pilot initiative. 	<ul style="list-style-type: none"> Document containing blueprint for <i>assessment</i> of job competencies, together with procedures, instruments and application plan. Document containing blueprint for <i>certification</i> of job competencies together with procedures, instruments and application plan. 	<ul style="list-style-type: none"> The project has information on competencies to be assessed, obtained from previous experience performed. The design process is participatory and takes into account the expected interests of industry stakeholders.
OBJECTIVE 4 Develop a system to certify competency-based training quality.	<ul style="list-style-type: none"> Definition of quality standards to evaluate job-competency-based training programs as agreed by the Project Executive Board, made available for the pilot initiative. 	<ul style="list-style-type: none"> Document containing the principles of a system for competency-based training-program quality certification. Monitoring study report containing debriefing from participating stakeholders (SENCE, OTICs, OTEs). 	<ul style="list-style-type: none"> Businesses, training organizations and government agencies such as SENESCYT are actively involved in the project. The design is based on a study of successful models and practices. Training organizations buy into the principles of the job competency-based approach.

AIMS	INDICATORS	MEANS OF VERIFICATION	ASSUMPTION
TEST OF VIABILITY AND DESIGN OF FULLY OPERATIONAL SYSTEM			
ACTIVITY 1 Competencies assessment and selection of firms in at least three selected sectors (construction, tourism, etc.)	<ul style="list-style-type: none"> A total of 500 workers drawn from participating sectors take part in the pilot scheme. They are kept informed of the process, assessed and eventually certified. Pilot initiatives evaluated, with lessons learned as expressed by participating stakeholders. 	<ul style="list-style-type: none"> Assessment scheme and instruments applied. Record of findings of assessments done. Record of certificates awarded. Report from employer and worker representatives. Monitoring study report. 	<ul style="list-style-type: none"> Job competencies to be certified are available to the project. Firms and workers directly involved in the pilot scheme agree to participate.
ACTIVITY 2 Identify and disseminate the system's products and services among institutional stakeholders and firms.	<ul style="list-style-type: none"> Level of perception among institutional stakeholders and level of support from businesses in the sector. Demand generated by specific firms for the system's products and services, over and above pilot requirements. 	<ul style="list-style-type: none"> Reports on perceptions and levels of support for the system. 	<ul style="list-style-type: none"> Approval of design and implementation strategy by the Project Executive Committee.
ACTIVITY 3 Develop a proposal for an institutional and financial framework to sustain the system in full scale.	<ul style="list-style-type: none"> Proposal for institutional framework and financial sustainability of the national job competencies and training quality certification system. 	<ul style="list-style-type: none"> Document containing the institutional framework proposal, specifying the role of each participating body and level, specific functions, financial sustainability and tentative timetable for putting into practice. 	<ul style="list-style-type: none"> Public/private-sector agreement on the basic principles of the National Certification System. Agreement on institutional/financial sustainability of the system. Government promotes national certification system together with mechanisms aimed at sustaining it.

PROPOSED RESOLUTION

CHILE. NONREIMBURSABLE TECHNICAL COOPERATION FOR
A LABOR COMPETENCY CERTIFICATION PROGRAM

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, on behalf of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Fundación Chile and to adopt such other measures as may be pertinent for the execution of the plan of operations incorporated in the donors memorandum referred to in Document MIF/AT-_____ with respect to a technical cooperation, the purpose of which is a Labor Competency Certification Program.
2. That up to the amount of US\$1,900,000 is authorized for the purpose of this resolution, chargeable to the Human Resources Facility of the Multilateral Investment Fund.
3. That the above mentioned sum is to be provided on a nonreimbursable basis.