

TC Document

I. Basic Information for TC

▪ Country/Region:	Regional
▪ TC Name:	Capacity Building to Promote Broadband Access, Adoption and Usage in LAC
▪ TC Number:	RG-T2470
▪ Taxonomy:	Research & Dissemination
▪ Associated Loan/Guarantee Name:	N/A
▪ Associated Loan/Guarantee Number:	N/A
▪ Team Leader/Members:	Joaquim Tres (INT/INT, Team Leader), Felix Gonzalez (IFD/ICS, co-Team Leader), Matthew Shearer, Alvaro Garcia, Peggy Tsukakoshi, Silvia Leal (all from INT), Enrique Iglesias (IFD/ICS), Javier Bedoya (LEG/SGO) and Liza Lutz (LEG/SGO)
▪ Date of TC Abstract authorization:	March 31, 2014
▪ Beneficiary:	All IDB borrowing member countries
▪ Executing Agency and contact name:	Inter-American Development Bank (INT/INT in coordination with IFD/ICS)
▪ Donors providing funding:	Broadband Special Program
▪ IDB Funding Requested:	US\$250,000
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period:	36 months (24 month execution period)
▪ Required start date:	April 21, 2014
▪ Types of consultants:	Firm and individual consultants
▪ Prepared by Unit:	INT/INT
▪ Unit of Disbursement Responsibility:	INT/INT
▪ TC Included in Country Strategy:	No
▪ TC included in CPD:	No
▪ GCI-9 Sector Priority:	Competitive Regional and Global Integration; Institutions for Growth and Social Welfare

II. Objectives and Justification of the TC

- 2.1 The Inter-American Development Bank (IDB) Report on the Ninth General Capital Increase of Resources (AB-2764) (GCI-9) establishes that supporting global and regional integration is one of the Bank's five institutional strategic priorities, and proposes to increase lending to support regional cooperation and integration to 15 percent of the Bank's lending by the end of 2015. Capacity-building is one of the non-financial instruments recommended in the new instrument compact of the Bank's Sector Strategy to Support Global and Regional Integration (GN-2565-4) (the Integration Strategy), and its corresponding Action Plan (GN-2653).

- 2.2 There is evidence that the acceleration of broadband penetration, adoption and effective use brings clear social inclusion and economic benefits. In particular, it is estimated that increases of 10% in broadband penetration in Latin American and Caribbean (LAC) countries, on average, have associated increases of 3.19% in GDP, 2.61% in productivity and a net generation of more than 67,000 jobs¹. Additionally, according to a study by Arthur D. Little and Ericsson, 1% increase in broadband penetration can bring 4.3% increase in exports. Unfortunately, the LAC region is lagging behind other regions with regards to broadband penetration and usage. Whereas broadband penetration for OECD countries averages more than 75%, for IDB countries it is barely 18%.
- 2.3 The Integration Strategy states that broadband access has profound implications for the achievement of the MDGs and for enhancing business productivity and global integration. In addition, the Bank's Institutions for Growth and Social Welfare Strategy (GN-2587-2) 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. The IDB works towards strengthening institutions and has specifically recognized the need to improve policies and governmental action in the information technology and communications (ICT) sector (§5.21). Consistent with the Strategy, the Bank approved the Broadband Special Program that aims at supporting IDB countries in their efforts to increase access, adoption and usage of broadband services in LAC. The Broadband Special Program, led by the Institutional Capacity of the State Division (IFD/ICS), the Bank offers support around three thematic pillars: (i) public policies and governance models that promote the implementation of broadband development plans and digitalization strategies; (ii) strategic regulations; and (iii) capacity building and institutional strengthening.
- 2.4 On the other hand, in 2011, the IDB launched its Bank-wide Capacity Building Program on Integration, a comprehensive effort with the objective of creating and sustaining long-term and multi-sector critical mass of national expertise on regional and global integration that includes high-level executive training, short-term policy advisory services, and support to project identification, design, monitoring and evaluation. To date, the Capacity Building Program has delivered face-to-face and mainly online tutored courses on topics ranging from Trade Facilitation, Security and Customs, Trade Policy and Implementation of Trade Agreements, Export Promotion and Investment Attraction and Physical Integration, including broadband, to 1,200 public officials and private sector stakeholders in LAC that have been certified by KNL/INDES.
- 2.5 This technical cooperation complements the regional technical cooperations RG-T2271, RG-T2363 and RG-T2461 around two axes: (i) thematically, it complements them in terms of content (see Component 1 below) and (ii) geographically, the courses developed within the project will be available to all countries of the Bank, not only the countries that are beneficiaries of the technical cooperations RG-T2271, RG-T2363 and RG-T2461 (Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama).

¹ García-Zaballos, A. / López-Rivas, R.: Governmental control on socio-economic impact of broadband in LAC countries. IDB, 2012.

- 2.6 The objective of the project is to strengthen LAC countries institutional capacity regarding broadband and ICTs. The specific objective of the project is to design and deliver online tutored courses on broadband access, adoption and usage in the framework of the Physical Integration pillar of the abovementioned Capacity Building Program on Integration and the third pillar of the Broadband Initiative related to capacity building and institutional strengthening².

III. Description of activities/components and budget

- 3.1 Project activities will include the development of content and the delivery of capacity building to promote broadband access, adoption and use in LAC to both private and public sector stakeholders, including those involved in regional infrastructure platforms such as the Initiative for the Integration of Regional Infrastructure (IIRSA), Proyecto Mesoamerica (PM), and in the Caribbean, within the context of the IDB's Capacity Building Program on Integration.
- 3.2 The actual target audience will consist of technical and executive level professionals from key national and regional organizations for the implementation of broadband policy and investments in LAC.
- 3.3 The design and implementation of broadband courses will be subject to the region's demand and to the Broadband strategic guidelines. The proposed calendar is suggested in the components that follow.
- 3.4 **Component 1: Developing content on broadband (2-3 months, Q3 2014).** This component consists of developing or updating content for online tutored courses following KNL/INDES proven pedagogical approaches used by the Capacity Building Program on Integration to promote broadband access and use in LAC based on applied research on the costs and benefits of the development of the telecommunications sector and the adoption of ICTs, and from evaluations from the courses carried out under the Capacity Building Program on Integration. The courses will also pay special attention to the development of applications that can be leveraged once the broadband capabilities are deployed and that will foster the economic development and social inclusion through improved education, health services, financial services, e-commerce or government. Similarly, courses designed to train tutors on broadband access and use will be developed as needed and will be a further contribution to strengthen the region's capacity. These courses will be a complement to the ones developed in the regional technical cooperations RG-T2271 and RG-T2363, since the content of the new courses created will have an exclusive focus on applications.
- 3.5 This project will support the content development following the lessons learned and evaluation carried out after the pilot course on broadband, part of the Capacity Building Program on Integration.
- 3.6 **Component 2: Delivering online tutored courses on broadband (18 months, Q4 2014-Q1 2016, inclusive).** This component consists of delivering online tutored

² For activities that are actually performed in beneficiary countries, the Bank will obtain the non-objection of the authorities of the country in which territory such activities will take place.

courses to government officials and private sector stakeholders to promote broadband access and use in LAC. The courses will be delivered in the modality of either regional or national courses. The regional online training courses are organized in modules, each equivalent to one tuition week that involves a commitment of 12-15 hours per participant. National courses will be scheduled upon specific institutional demands. Each tutored, collaborative and interactive course will be imparted between six and nine weeks. Participants' knowledge will be evaluated through a training platform and assessed by trainers/facilitators at the beginning and at the end of the course to measure knowledge acquisition.

- 3.7 The Online tutored courses offered will consist of 6 to 8 modules (number of pages ranging from 20 to 40 per module), each lasting one tuition week requiring between 12-15 hours of study by participants in learning groups of a maximum of 40 participants. To pass the course, participants need to read the course material, complete the exercises, actively participate in the online training forums and satisfactorily complete a final test. Since all participants will be professionals from public sector and relevant private sector entities, after module 3 and the last module there will be two catch up weeks respectively.

Indicative Results Matrix

Result	Indicator	Baseline Q1 2014	Target Q1 2016	Data Source
Intermediate: Strengthened institutional capacities to implement and participate in activities to promote broadband access, adoption and usage in LAC	# of public or private institutions strengthened	1	5	List of participants
Immediate: Improved knowledge and skills among individuals involved in broadband access, adoption and usage promotion initiatives in LAC	# of professionals successfully trained (receiving a certificate) (disaggregated by sex)	30 (50% are women)	150 (50% are women)	Examinations at the end of capacity-building events
Product: Training delivered to individuals involved in broadband access, adoption and usage promotion initiatives in LAC	# of professionals who received training (disaggregated by sex)	35 (50% are women)	210 (50% are women)	Lists of participants
Activities: Developing content on broadband Delivering online tutored courses on broadband	# of new courses developed, adjusted and/or translated # of online courses delivered	1 1	2 5	INT-INTAL-KNL Capacity-Building Program files

Indicative Budget

Activity/Component	Description	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1	Developing or updating content on broadband	\$83,500,		\$83,500
	1 new course developed	\$61,500		\$61,500
	1 Translation	\$22,000		\$22,000
Component 2	Delivering online tutored courses on broadband	\$160,000		\$160,000
	4 courses delivered	\$160,000		\$160,000
Contingencies		\$6,500		\$6,500
Total		\$250,000	N/A	\$250,000

IV. Executing agency and execution structure

- 4.1 **Executing Agency.** The Bank will be the executing agency for this project through the Integration and Trade Sector (INT/INT) – the host of the Bank’s Capacity Building Program on Integration– in coordination with the Institutional Capacity of the State Division (IFD/ICS) for the provision of technical expertise on broadband. INT/INT and IFD/ICS with KNL/INDES with support from external contractors that are already executing the Program will operate as executing units according to their respective capacities and experience. Two main reasons justify the execution of this project by the Bank: (i) this is a regional project that involves the coordination of public sector (and relevant private sector) participants from countries across the region, and the Bank is ideally situated to serve as a regional coordinator, and (ii) the project seeks consistency with the Bank’s GCI-9 priorities and operational program, and Bank specialists are in the best position to ensure this.
- 4.2 **CEDDET.** In order to ensure methodological coherence with prior Bank capacity building interventions under the Capacity Building Program on Integration³, it is expected that the content development and delivery of the courses on broadband for Latin American countries financed by this TC will also be implemented by CEDDET, with direct supervision from IFD/ICS, INT/INT and KNL/INDES. While KNL/INDES has the expertise to carry out the courses, they do not have the capacity to absorb the volume of courses proposed by this project. Given this limitation and considering CEDDET’s overall qualifications in capacity building in the region and its exceptional experience and methodology in developing and delivering online courses for the Bank, CEDDET will be selected through a sole sourcing process in accordance to paragraph 3.10 (d) of Bank’s Procurement Policies (GN-2350-9), as it has experience and a tailored methodology of exceptional worth for this assignment.
- 4.3 CEDDET is a non-profit entity fostering cooperation, created by the Spanish Ministry of Economy and Finance in 2001. CEDDET has trained over 13,000 participants from Latin America and the Caribbean through more than 478 online training courses, 142

³ Since 2011, more than forty (40) online training courses delivered by the IDB have been implemented by CEDDET.

seminars and 20 Communities of Practice and has recently been tasked to develop MERCOSUR's Virtual Institute. The Bank's experience and partnership with CEDDET dates from 2011 when, following an internal competitive process, SICA contracted CEDDET to develop the two first editions of the "Customs Leadership" and "Strategic Planning in Customs" courses, financed by SICA with the collaboration of the Bank and WCO for the tasks of tutor identification and design of course materials.

- 4.4 Following the successful execution of these first two courses, the Bank selected CEDDET through a single sourcing process to deliver the first edition of the "Single Window of Foreign Trade" course in collaboration with SICA. Subsequently, the IDB launched a separate competitive process to select a firm to design and implement the first editions of two online training courses: "International Customs Transfer for Merchandise-TIM" and "E-Commerce". CEDDET was awarded the contract based on both the technical merit of its proposal and by submitting the most competitive price proposal of the bidders participating in the selection process. Results for both experiences with CEDDET showed the partnership was highly successful in delivering effective capacity building in Latin America. More recently the Bank hired CEDDET through sole sourcing to deliver online training courses in the framework of its Capacity Building Program on Integration (contract C0072-13). Under this contract, CEDDET has successfully delivered thirty (30) courses on behalf of the IDB, with an unprecedented average of 88% of approval rate, succeeding in training over 1200 participants⁴.
- 4.5 **Supervision and Monitoring.** Joaquim Tres (INT/INT) and Felix Gonzalez (IFD/ICS), Team Leaders of the project, will be in charge of the overall execution and supervision of the project in coordination with KNL/INDES and CEDDET. Supervision will be conducted on a course by course case through weekly reports including information about tutor and student performance. In addition to these reports, a final evaluation meeting will be scheduled upon conclusion of each online tutored course with the program director, CEDDET and the project team to discuss the overall performance of students and identify relevant areas for improvements for later editions of the course.
- 4.6 **Financial and Procurement Policies.** Disbursements shall follow Bank rules and procedures. The Bank will hire consulting services (individual and firms) in accordance with current policies and procedures (GN-2350-9 and GN-2303-20 or any other procurement policy that is in effect at the time of contracting). The Procurement Plan is attached as Annex III.

V. Major issues

- 5.1 The main risk foreseen for this project would be that the capacity building provided to participants would not be applied by individuals who have been trained, either by omission, or by the individuals leaving the organization for which they were originally trained. To mitigate this risk, this project will promote the design and implementation of online training courses in areas where the Bank is implementing or will be implementing broadband projects to strengthen participants' capacities for

⁴ According to 2013 estimates.

better project execution and reforms and also provide them with the competences to transfer and share their knowledge and experiences with other professionals in their institutions. Another mitigating factor will be the coordination with the Broadband training center also financed by the Bank's Broadband Special Program, seeking complementarity of topics and regions where the capacity building activities will be carried out.

VI. Exceptions to Bank policy

- 6.1 The project does not contemplate any exceptions to Bank policies.

VII. Environmental and Social Strategy

- 7.1 According to the ESG classification, this operation entails no environmental and social risks whatsoever, as it is only dealing with the development and delivery of online capacity-building activities. Based on the Safeguard Policy Filter Report and Safeguard Screening Form the TC was classified as category "C". (See IDBDOCS # [38716132](#) and [38716153](#)).

Since the taxonomy of this TC is Research & Dissemination, no letters of request are enclosed.

Annexes

- Annex I: [Results Matrix](#)
- Annex II: [Terms of Reference](#)
- Annex III: [Procurement Plan](#)
- Annex IV: [Proposed Workflow](#)

**CAPACITY BUILDING TO PROMOTE BROADBAND ACCESS, ADOPTION AND
USAGE IN LAC**

RG-T2470

CERTIFICATION

I hereby certify that this operation was approved for financing under the Broadband Special Program (BBD) through a communication dated April 1, 2014 and signed by Sergio Zwi (ORP/GCM). Also, I certify that resources for this Broadband Special Program (BBD) are available for up to US\$250,000 in order to finance the activities described and budgeted in this document. This certification, reserves resources for the referenced project for a period of four (4) calendar months counted from the date of signature below. 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 U.S. 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, for which the Fund is not at risk.

Original firmado

05/05/2014

Sonia M. Rivera

Date

Chief

Grants and Co-Financing Management Unit

ORP/GCM

APPROVAL

05/06/2014

APPROVED: ORIGINAL FIRMADO

Antoni Estevadeordal

Date

Sector Manager

Integration and Trade Sector

INT/INT