

TECHNICAL COOPERATION DOCUMENT

I. BASIC INFORMATION

▪ Country/Region:	Regional
▪ TC Name:	Capacity-Building Program on Integration – Phase IV
▪ TC Number:	RG-T2762
▪ Team Leader/Members:	Matthew Shearer (Team Leader), Joaquim Tres (Alternate Team Leader), Álvaro García, Mariela Munguia (INT/INT); Alejandro Ramos (INT/INTAL); Carlos Gerardo Molina (KNL/INDES)
▪ Taxonomy:	Research and Dissemination
▪ Date of TC Abstract authorization:	August 2, 2016
▪ Beneficiary:	All IDB borrowing member countries
▪ Executing Agency	The Inter-American Development Bank (IDB), through the Integration and Trade Sector (INT/INT)
▪ Donors providing funding:	Spanish General Cooperation Fund (FGE)
▪ IDB Funding Requested:	US\$ 170,000
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period:	24 months (18-month execution period)
▪ Required start date:	September 15, 2016
▪ Types of consultants:	Individual consultants and firms, and regional or international organizations
▪ 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 (GN-2565-4)

II. OBJECTIVES AND JUSTIFICATION

- 2.1 **Background.** In 2010, the Report on the Ninth General Capital Increase of Resources of the Inter-American Development Bank (IDB) (AB-2764) (GCI-9), established that supporting global and regional integration was one of the Bank's five institutional strategic priorities, and proposed to increase lending to support regional cooperation and integration to 15 percent of the Bank's lending by the end of 2015. To implement this GCI-9 mandate on integration, in 2011 the IDB approved the Sector Strategy to Support Global and Regional Integration (GN-2565-4), which proposed simultaneous investments in the *hardware* (infrastructure for regional connectivity) and the *software* (regional policies and regulatory frameworks) of integration, connecting them with a comprehensive agenda for intra-regional South-South cooperation (SSC) and the generation of regional public goods.
- 2.2 In March 2015, through the Update to the Institutional Strategy 2016-2019 (AB-3008) (UIS), the IDB reaffirmed its commitment to work with the region to address three major inter-related development challenges: (i) social exclusion and inequality; (ii) low productivity and innovation, and (iii) limited productive integration. These development challenges are in turn impacted by three cross-cutting issues: (i) gender equality and diversity, (ii) climate change and environmental sustainability, and (iii) institutions and the rule of law. Specifically, to increase integration beyond market access and foster production-sharing schemes, the UIS suggests carrying out activities in support of: (i) improving regional infrastructure; (ii) inserting firms into

value chains; (iii) converging integration policies and instruments; and (iv) leveraging South-South and Triangular Cooperation.

- 2.3 **Objective.** The overall objective of the project is to continue creating and sustaining a long-term and multi-sector critical mass of national expertise on integration through technical-level training, short-term policies advisory services, and support to project execution and monitoring¹. The specific objectives are: (i) to increase the understanding of how to operate regional and global integration through highly specialized training of government officials and private sector stakeholders related to the global and regional integration agenda; and (ii) to promote the exchange of knowledge and experiences, and create communities of practice on integration through collaborative learning to increase the quality of integration project execution and support integration reforms.
- 2.4 **Alignment.** Targeted capacity-building is one of the non-financial instruments recommended in the instrument compact of the Bank's Integration Strategy and its Action Plan (GN-2653). Furthermore, the update to the IDB's Corporate Results Framework 2016-2019 (CRF), which sets out indicators and time-bound targets that allow for evidence-based monitoring of the implementation of the UIS, contemplates a specific indicator for capacity building on economic integration², which is aligned with Goal 17 of the United Nations' Sustainable Development Goals "*Strengthen the means of implementation and revitalize the global partnership for sustainable development*"³.

III. DESCRIPTION OF ACTIVITIES/COMPONENTS AND BUDGET

- 3.1 **Component 1: Delivering Online Tutoed Courses on Integration (US\$155,000).** This component consists of delivering online tutoed courses to government officials and private sector stakeholders in the areas of: (i) Trade Facilitation, Security and Customs (including but not limited to: Electronic Single Window for Foreign Trade, Authorized Economic Operator (AEO), International Transit of Merchandise (TIM), Coordinated Border Management (CBM), Customs Management and Leadership, Customs Strategic Planning, Customs Risk Management, Trade Facilitation in the Bali Declaration); (ii) Innovation in Trade Policy and Implementation of Trade Agreements (including but not limited to: Rules of Origin, Trade Dispute Settlement, International Trade and Intellectual Property, Sanitary and Phytosanitary Standards (SPS), Implementation of Trade Agreements); (iii) Export Promotion and Investment Attraction (including but not limited to: SME Internationalization in the Food Sector,

¹ This project represents the continuation of activities developed under prior technical cooperation projects funded by the Multidonor Regional Infrastructure Integration Fund "Capacity Building Program on Integration" (RG-T2265; RG-T2465 and [RG-T2572](#)); the successful first, second and third phases of the Program. See [General Information on the Capacity Building Program on Integration and Trade](#). This operation will build on the previous three phases of the Program, by maintaining current course offerings and adding new titles to online tutoed courses, Massive Open Online Courses (MOOCs) and Communities of Practice based on identified demands in the first and second Annual Meetings with the Heads of Capacity Building on Integration and Trade held on November 3-4, 2014 and November 8-11, 2015; and the information collected through individual satisfaction questionnaires at the end of each edition of the courses, which provide direct feedback from beneficiaries on how to improve course materials and delivery.

² CRF, Indicator 22: "*Professionals from public and private sectors trained or assisted in economic integration*"

³ "Goal 17.9: Capacity building. Enhance international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all sustainable development goals, including through North-South, South-South, and triangular cooperation."

Impact Measurement Tools for Export Promotion and Investment Attraction Agencies, e-Commerce); (iv) Physical Integration (including but not limited to: Trade Logistics, Broadband as a Catalyst for Economic Development and Social Inclusion, Geothermal Energy for Integration); and (v) International Development Cooperation and South-South Cooperation. This online tutored modality is deemed to be the most cost-effective for targeting an extensive number of candidates who are geographically dispersed while providing opportunities to create networks with tutor facilitation and through collaborative activities during the course, since integration reform and investments require building international social capital among implementers.

- 3.2 The proposed topics will also support the implementation of integration projects carried out by countries, often through Bank lending and grants, and focus mainly on the aforementioned areas.
- 3.3 The courses will be delivered in the modality of either regional or national courses. The regional online training courses are organized in modules, easily accessible through PDF-technology and light website content⁴, each equivalent to one tuition week that involves a commitment of 15 hours per participant. Demand for regional courses will be identified based on applied research on the costs and benefits of integration, regional policy dialogues, formal training needs assessments, the Annual Meetings of the Heads of Capacity Building on Integration and Trade and evaluations from the courses carried out under technical cooperations [RG-T2265](#), [RG-T2465](#) and [RG-T2572](#), dialogue with capacity building coordinators in client institutions and from the activities of the Communities of Practice. National courses will be scheduled upon specific institutional demands. Each tutored, collaborative and interactive course will be imparted between four and nine weeks. Participants' knowledge will be evaluated⁵ through a training platform and assessed by trainers/facilitators at the beginning and at the end of the course to measure learning through tests and assessed work assignments.
- 3.4 **Component 2: Program Coordination and Monitoring (US\$15,000).** This component will finance the overall supervision and coordination of the Program, including the monitoring of the whole process of design and delivery of online courses on integration, managing relationships among providers and with the Program's partners, and providing expertise in the development of innovative solutions to Capacity Building.⁶

⁴ There is a low risk of failure due to poor internet connectivity, considering the Program is mainly oriented to high-level public officials of LAC countries, thus it is safe to assume the beneficiaries will be able to download the required contents in their workplace if needed. This assumption is supported by the high passing rate of the courses so far (86%) and the fact that there have been no complaints to date regarding accessibility to course materials.

⁵ Since the beginning of the Program, individual course evaluations have been carried out following Donald Kirkpatrick's evaluation methodology: satisfaction is measured through participant questionnaires at the end of each course and learning is evaluated through final course examinations, in which participants must obtain at least 65 out of 100 to achieve certification. An evaluation on the "transfer to job" and "business impact" is under development to assess the remaining two levels of Kirkpatrick's model.

⁶ This includes consideration of continuation of the current Program Coordinators.

Table III.1 Indicative Results Matrix⁷

Results Indicator	Baseline Q2 2016	Target Q1 2017	Data Source
# of institutional units, whose personnel are capable of implementing integration programs, projects and processes (Single Windows, TIM, etc.)	400	410	List of participants
# of professionals successfully trained (receiving a certificate) (disaggregated by gender)	3,500 (48% are women)	3,698 (48% are women)	Examinations at the end of courses
# of professionals who received training (disaggregated by gender)	4,100 (48% are women)	4,300 (48% are women)	List of participants
# of online tutored courses delivered	120	125	INT-INTAL-KNL Program files

3.5 The total amount of this TC is US\$170,000, financed with resources from the Spanish Framework General Fund (FGE).

Table III.2 Indicative Budget (US\$)

Activity/ Component	Description	IDB Funding	Counterpart	Total Funding
Component 1	Delivering online tutored courses on integration	155,000	0	155,000
	5 online tutored courses implemented, tutor fees, final evaluations (approx. US\$30,000 each course) <ul style="list-style-type: none"> • 60-90h each • 40/50 trained officials/online tutored course • Expected 86% certification rate 	155,000	0	155,000
Component 2	Capacity Building Program Coordination and Monitoring	15,000	0	15,000
	Coordination	15,000	0	15,000
TOTAL		170,000	0	170,000

3.6 **Supervision.** The supervision arrangements of the TC will be as follows: INT/INT will provide the technical expertise on integration, trade and investment – with strategic partnerships such as the World Customs Organization (WCO), the World Trade Organization (WTO)⁸, among others – and KNL/INDES will provide oversight to ensure the methodologies used to design, implement and evaluate the proposed courses are up to the standards required by the institute's accreditation. The courses will be included in the portfolio of accredited courses offered by the Bank through KNL/INDES. Bank staff will monitor and evaluate the program by means of participants' evaluations of the online courses and the level of participation in, and results of, the examinations.

⁷ See [Detailed Results Matrix](#)

⁸ In the case of the WCO, WTO, and the sub regional entities, the collaboration is expected to involve tutor proposals and content review of the courses, and does not anticipate counterpart financial resources. Nevertheless, taking into account the level of participation of these organizations, the Bank has obtained letters of agreement, memoranda of understanding, or other written commitments with these entities as a special execution condition.

IV. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 4.1 The Bank, through the Integration and Trade Sector (INT/INT), will be the executing agency for this project. INT/INT will be responsible for the overall execution and supervision of the project in close coordination with KNL/INDES. INT/INT and KNL/INDES with support from current individual consultants and contractors 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, the Integration Strategy and the UIS and its CRF, and Bank specialists are in the best position to ensure this.
- 4.2 **Procurement.** The Bank will contract individual consultants, consulting firms and non-consulting services in accordance with current Bank procurement policies and procedures.

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 integration projects to involve and strengthen capacities for better project execution and reforms and also provide participants with the competences to transfer and share their knowledge and experiences with other professionals in their institutions which could help generate workforce loyalty. The establishment of communities of practice will also contribute to continuous learning and application of the knowledge developed in the courses. Another way to mitigate this risk is the fact that courses are offered in several editions to create a critical mass of individuals trained. In this sense, if one of the individuals trained leaves the institution, there will be other opportunities for other individuals to receive training. Another potential risk would be that bureaucratic or political reasons would significantly slow down project performance. However, regarding national courses, these are directly requested by national institutions, therefore no major delays occur. For regional courses, even if overall coordination is more complex, by involving and directly engaging the Directors of each national participating institution in candidate identification, active participation is ensured. Additionally, the firm hired to execute the project will carry out a thorough follow up of candidates, ensuring course timelines are followed.

VI. EXCEPTIONS TO BANK POLICY

- 6.1 This TC does not involve any exceptions to the Bank's policies.

VII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 7.1 Based on the Environment and Safeguards Compliance Policy (OP-703), this TC was classified as category "C" (see the [Safeguard Policy Filter Report](#) and the [Safeguard Screening Form](#)).

REQUIRED ANNEXES:

- Annex I – [Terms of Reference](#)
- Annex II – [Procurement Plan](#)
- Annex III – [FGE Budget](#)