

TECHNICAL COOPERATION DOCUMENT (TC-DOCUMENT)

REGIONAL

I. BACKGROUND

Country:	Regional		
TC Name:	Operations of the Regional Broadband Training Center (Phase I)		
TC Number:	RG-T2461		
Team Leader/Members:	Antonio Garcia Zaballos (Team Leader, IFD/ICS); Pilar Jimenez de Arechaga (LEG/SGO); Nathalia Foditsch (IFD/ICS); Jiyoun Son (IFD/ICS); Felix Gonzalez (IFD/ICS); and Cecilia Bernedo (IFD/ICS).		
TC Taxonomy:	Research and Development (RD)		
Authorization TC date:	March, 2014		
Donors providing funding:	Broadband Special Program		
Beneficiary:	Nicaragua, Guatemala, Costa Rica, El Salvador, Panama, Honduras, and the Dominican Republic		
Executing agency and contact name:	Inter-American Development Bank, IFD/ICS, Antonio García Zaballos (antoniogar@iadb.org)		
IDB Funding Requested:	BID: Special Broadband Fund (OC)		US\$500,000
Local counterpart funding:	Local: Republic of Korea (in kind)		US\$300,000
	Republic of Nicaragua (Host Country – in kind)		<u>US\$130,000</u>
	Total		<u>US\$930,000</u>
Execution period:	12 months ¹	Disbursement period:	18 months
Required start date:	June, 2014		
Types of consultants:	Firm and individual consultants		
Prepared by Unit:	Division of Institutional Capacity of the State (IFD/ICS)		
Unit of disbursement responsibility:	IFD/ICS		
TC included in country strategy:	N/A	TC included in CPD:	N/A
GCI-9 sector priority	The current Sector Strategy: “Institutions for Growth and Social Welfare” identifies <i>improving innovation and productivity</i> 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 to 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.		

¹ The TC supports the operations of the Broadband Training Center (the “Center”) with the aim to provide training services starting from November of 2014. The Center is designed to operate for an initial period of 3 years; further operation will be decided upon by the key stakeholders. This TC shall fund Phase I or the first year of the 3-year initial period. Additionally, the operation of the second and the third years shall be funded separately from this TC. The likely funding sources for annual operation shall be the Bank and the Government of Korea, which are expected to provide US\$500,000 and US\$300,000 a year respectively. The budget for yearly operations is based on the consultancy conducted by the IDB during the execution of TC RG-T2271; ATN/OC-14055-RG and RG-T2363; ATN/KK-14056-RG). The project profile for the Center and the proposed budget is provided in following link: [IDBDocs#38655571](#).

II. OBJECTIVES AND JUSTIFICATION OF THE TC

- 2.1 Broadband is well known as an enabler for countries in the pursuit of economic and social development since it drives economic growth by contributing to the enhancement of the national competitiveness, to the increase of productivity and efficiency, as well as job creation. In recent years, the economic impacts of broadband, through its acceleration, penetration, adoption and effective use have brought clear social and economic benefits, which have been substantiated with concrete statistics. It has been estimated that 10% growth of broadband penetration would raise the Gross Domestic Product (GDP) of high-income countries by 1.21% and that of low-income countries by 1.38% (World Bank, 2009). In particular, in the Latin American and the Caribbean (LAC) Region, it is estimated that an increase of 10% in broadband penetration, on average, has been associated with the increase of 3.19% in GDP; 2.61% in productivity and a net generation of more than 67,000 jobs².
- 2.2 According to the International Telecommunications Union³, the average penetration rate of fixed broadband services in the Latin-American and the Caribbean Region (LAC) is below 5%. When we compare this figure with the penetration rate in other countries such as Denmark or Korea, where the penetration rate is around 40%, the disparity is clear. Moreover, substantial heterogeneity can be also observed when we compare penetration rates within the LAC Region. Indeed, there are wide differences between countries, for instance, whereas Barbados has a penetration rate above 20%, in Honduras or Guatemala it reaches approximately 1%. Even within each country there is a gap between those with and without Internet access. In Brazil, for example, 60% of households in the wealthiest income quintile report access to the Internet, whereas less than 3% of households in the poorest income quintile have access to the Internet.
- 2.3 There are various benefits that broadband might bring to the economy, among them: improvement in the delivery and accessibility of education and training, promotion of equality and inclusion of rural or disadvantaged communities, support to civil disaster relief, remote medical assistance (known as ‘telemedicine’), increasing competition and social cohesion and interaction.⁴ These potential benefits lead the governments to announce significant broadband development programs in order to take advantage of the new and different technologies that are available

² García-Zaballos, A. / López-Rivas, R.: Governmental control on socio-economic impact of broadband in LAC countries. IDB, 2012.

³ www.itu.int.

⁴ Broadband may lead to development of a new model of education and health, through obtaining substantial efficiency improvements in its processes, which could lead to lower costs while enabling disadvantaged areas to have access to better education and health services. McKinsey & Company points out that those SMEs that made intensive use of Internet improved their productivity by 10%, which is reflected in sales and cost savings. Moreover, the consultant concluded that small and medium sized companies that made heavy use of the Internet in business relationships grew twice as fast as those which did not. In addition to the impact of ICT in education, health and productivity/competitiveness of enterprises, there are examples of how ICTs can improve traffic, assist in natural disasters, or monitor certain public services (sewer, electricity, air and maritime transport, etc). Moreover, for the ordinary citizen, the use of ICT services in both their personal lives and in their careers (electronic payment of value added tax, electronic transactions, information search,) helps to reduce the number of transactions needed, increasing productivity and quality of life.

- 2.4 Countries have been trying to develop 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 of national governments in LAC developed in recent years by countries including Panama, Honduras and Costa Rica, whose main objective is to accelerate the deployment and adoption of broadband services. Through these and other governmental initiatives, the local demand for highly specialized experts is made clear. Nowadays according to CISCO, in the LAC Region there is a gap of 300.000 professionals trained on broadband, and the Central American region, according to the DIGILAC platform (www.iadb.org/digilac), is clearly lagging behind other Regions from LAC.
- 2.5 Despite the recent efforts of governments, the challenge to accelerate the access, adoption and use of broadband remains in LAC. While 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 something that is many times insufficient. This is more apparent in the countries of Central America in light of the current broadband development status⁵, and as the DIGILAC platform⁶ from the IDB shows. Thus, the Bank shall support the governments of the Central American Region in enhancing their capability and capacity for broadband development by establishing the Regional Broadband Training Center (the Center). Toward this end, in 2013 the Bank approved two technical cooperations (RG-T2271; ATN/OC-14055-RG and RG-T2363; ATN/KK-14056-RG) with funding from Republic of Korea and local counterpart funding from Nicaragua to establish the Center. These two TCs financed the establishment of the broadband training center that was officially launched on June 9, 2014, with the participation from the different countries of the Region. In addition, the technical cooperation RG-T2470 is financing development of specific courses on applications to reduce the social divide.
- 2.6 **Objectives of the project.** This TC will fund the first full year (12 months) of the Center’s operations beginning in November 2014, by supporting its administrative, logistical and operational activities. The Center aims to increase the capacity of government officials to identify areas that require reforms such as regulations that drive competition, foster investment, promote sustainable levels of competition and expand the usage of broadband in a variety of socio-economic contexts. The training courses will be conducted online, at the Center, and locally at the request of the beneficiary countries. The Center shall be a hub for regional dialogues on topics related to broadband, where specific worldwide experiences and lessons learned will be presented and discussed.

III. DESCRIPTION OF ACTIVITIES

- 3.1 The TC resources to fund the operation of the Regional Broadband Training Center will be allotted to the following components: (i) institutional and operational capacity

⁵ See document GN-2704 for a more detailed assessment of the status of Latin-American and Central America in terms of broadband penetration, adoption and use.

⁶ www.iadb.org/digilac.

building for the Center; (ii) knowledge sharing and training; and (iii) monitoring and post implementation review. These activities are described below:

- 3.2 **Component 1: Institutional and operational capacity building for the Center.** Develop the institutional and operational capacity of the Center within the context of the governance framework.⁷ The scope of the activities to be implemented within this component will be:
- 3.3 **Activity 1: Establishment of the Secretariat Office.**⁸ This activity involves the formation and capacity building of the Center's Secretariat Office (SO). The team consisting of the Director, Program Manager and administrative staff shall be responsible for the Center's administrative and operational activities.
- 3.4 **Activity 2: Marketing and promotion of the Center.** This activity aims to strengthen relationships with the appropriate broadband organizations within beneficiary countries and the advisory group member organizations. The offerings of the Center shall be promoted so that the organizational leadership within countries would support the Center. As part of these efforts, the Center will host the launching ceremony along with a regional dialogue/workshop by inviting key stakeholders consisting of high-level government officials of participating countries in June/2014.
- 3.5 **Activity 3: Broadband Assessment and priorities identification for each beneficiary country.** This activity will entail an assessment of specific issues and priorities of relevant ministries in the beneficiary countries concerning broadband deployment, adoption and use. This will serve as the basis for the subsequent year's curriculum,⁹ regional workshops, local off-site training services, and the E-Learning Platform.
- 3.6 **Output/Immediate Results:** Activities 1 & 2 shall be completed before the official opening of the Center in November of 2014. As a result of these activities, the Center is expected to have the capacity to administer Center operations, launch training services and have productive discussions among participants from the Region and specialized institutions with extensive experience in dealing with their specific broadband priorities.
- 3.7 **Component 2: Knowledge Sharing and Training activities.** The knowledge sharing and training activities will be targeted for mid to high level officials of the ministries and regulatory agencies relevant to broadband development. The training will take place with approximately 30-40 participants per course from the seven beneficiary countries and will be led by internationally renowned broadband institutions and agencies.

⁷ The development of the Governance Framework is an activity under TC RG-T2271 / RG-T2363.

⁸ Due to the limitations of the Bank's consultancy modality of a Temporary Term Contract (TTC), whereby contract renewals must coincide with a three-month break between services, a contract would be awarded with the Banks' modality of Products and External Services Consultancy (PEC) to the Director and the Program Manager of the Center. The administrative assistant shall be hired by the host country.

⁹ Twelve Courses have been developed for the first full year's Curriculum as part of TC RG-T2271/RG-T2363. Please refer to the course list provided in following link: [IDBDocs#37951434](#)).

- 3.8 **Activity 1: Launching and maintenance of E-Learning Online Platform.** The E-Learning Platform¹⁰ will offer online, distance-learning programs that will address fundamental knowledge gaps in broadband development and implementation of recommended projects. Courses will be supplied online and provide the tools and materials students would need to study on their own for the duration of the course. Course materials will be provided in Spanish as well as English and will consist of text manuals, prerecorded lectures, presentations, case studies, practice quizzes, and exercises. This on-demand capability would allow learning to take place at the students' own pace and schedule while the course is active.
- 3.9 **Activity 2: Thematic regional workshops for broadband development.**¹¹ The Center shall host quarterly training workshops specifically designed by subject matter experts. The workshops are designed to be practical, interactive sessions and will consist of lectures, seminars, round tables, and discussion groups. These sessions shall be held quarterly, usually lasting 4-5 days. A thorough assessment of issues on broadband development and specific solutions to address these matters will be undertaken; thereby participants will get insights and solutions based on real world examples. Topics will range from regulations, policymaking to technical aspects of networks and deployment of new technologies.¹² Participants shall be invited by the Secretariat Office working in conjunction with the beneficiary countries in accordance with activities 2 and 3 of the component 1.
- 3.10 **Activity 3: Thematic local off-site training sessions.** Complementing activities 1 and 2 of this Component, the Local Offsite Training Services ("LOTS") aim to provide a more specific, targeted training over approximately 2-5 days. Each beneficiary country can make a maximum of two requests for training services per year, amounting to a maximum of fourteen offsite training services to be offered by the Center. The workshops will be practical, interactive sessions and consist of seminars, lectures and discussion groups. Courses will be tailor-made depending on the target audience and a country's specific course request. Upon request of beneficiary countries, relevant experts will be dispatched to countries and appropriate training materials will be provided for students.
- 3.11 **Activity 4: Development of training courses and partnership building**¹³ **for subsequent year curriculum.** Building on the activities related to the evaluation and prioritization of issues from Component 1, the Center shall develop partnerships for content creation for the subsequent year's curriculum. In addition

¹⁰ The creation of the E-Learning Platform is an activity under TC RG-T2271/RG-T2363.

¹¹ One of the strategies of the Center is to make experts worldwide available as lecturers as well as developers of the materials.

¹² For specific descriptions of each course, please refer to the course list provided in following link: [IDBDocs#38664939](#).

¹³ Through RG-T2271 and RG-T2363, an advisory group was created and will continue to work as the engine for operating the Center. The current members of the advisory group are International Telecommunications Union, Internet Society, GSMA, Korea Communications Agency, National Information Society Agency, Korea Internet Security Agency, Electronics and Telecommunications Research Institute, Telecommunications Technology Association.

to the courses that were developed under RG-T2271 and RG-T2363¹⁴, five courses will be developed by renowned organizations with expertise on the selected subjects. The organizations developing courses will be responsible, with the Secretariat Office, for providing training services specified in Activities 1, 2 and 3 for 2015-2016.

- 3.12 **Activity 5: Publishing and printing of course materials.** Under this activity, the finalized course materials and textbooks from the subject matter expert organizations shall be printed and published for students/participants in Activities 1, 2 and 3.
- 3.13 **Output/immediate results.** New courses for the second year of operation shall be developed. Through the completion of the activities presented in this component, the participants from beneficiary countries will capitalize on the programs of the Center. While detailed and quantifiable data on the impact of the Center will have to be gathered in the future, a significant effect is expected in regards to capacity of governments in addressing the many challenges of dealing with the public policies and regulations related to the access, adoption and use of broadband. With a better understanding of such issues, countries will be more capable of fostering competitive broadband markets, which will ultimately allow for the universal access to the Internet.
- 3.14 **Component 3: Post implementation review and dissemination.** Assess the adequacy and effectiveness of the Center's governance, risk management and control processes in providing reasonable assurance regarding effective administration, program management, and support functions to achieve overall objectives and positive impact.
- 3.15 **Activity 1: Audit and evaluation of Center's operation.** An audit and evaluation of will be conducted at the end of the first year of the Center's operations. The evaluation will consist of a financial audit, review of internal controls and risk management procedures, student satisfaction (as determined by surveys completed rating course content and delivery); impact (defined by how successfully the Center has achieved its mission and goals, and generated positive outcomes); and overall performance, in regards to the Center's capacity to deliver services. Recommendations will also be provided to address areas which are deemed requiring improvement.
- 3.16 **Activity 2: Dissemination of the Results.** Based upon the Activity 1, the results shall be summarized, disseminated, and commented upon by various stakeholders involved with the governance of the Center.
- 3.17 **Output/Immediate results.** An audit report on the overall administration of the Center and an assessment on the effectiveness of the Center's operations.

¹⁴ See [IDBDocs#37951434](#) for a description of the syllabus.

Table 3.1: Indicative matrix of the results

Results Statement	Indicator	Baseline	Target Level Year 1
1. Rollout of Online Courses	Number of courses launched	0	5
2. Workshops	Number of workshops	0	4
3. Persons trained (online and onsite)	Number of trained	0	125
4. Training material on the topics chosen as a priority by the beneficiary countries is developed	Number of course books developed	0	5
5. Audit and Evaluation of Center's administration and effectiveness	Audit and Evaluation Report	0	1

Table 3.2: Budget of reference (US\$)

Component	Description	Activities	Funding Sources			Total
			IDB	Korea	HOST	
Component 1: Build Center's Institutional and Operational Capacity	Build the institutional and operational capacity of the Center.	Activity 1: Est of Secretariat Office	240,000		130,000	370,000
		Activity 2: address priorities for each beneficiary country	40,000			40,000
		Activity 3: Marketing and Promotion		40,000		40,000
Component 2: Knowledge Sharing & Training	Knowledge sharing and training activities for mid to high level officials of the ministries relevant to broadband development	Activity 1: Launch and maintenance of E-Learning Platform		180,000		180,000
		Activity 2: Regional Workshops and Local Off-site Training Sessions	40,000	45,000		85,000
		Activity 3: Development of training courses and partnership building for subsequent year	150,000			150,000
		Activity 4: Publishing and Printing of Materials		35,000		35,000
Component 3: Post Implementation Review and Dissemination	An audit and evaluation report on the center and effectiveness of operations	Activity 1: Evaluation of Center's operation	30,000			30,000
Total			500,000	300,000	130,000	930,000

IV. EXECUTING AGENCY AND EXECUTING STRUCTURE

- 4.1 Considering the project is at a regional level and needs extensive partnership with international organizations, academic institutions and private firms, the executing agency will be the IFD/ICS, which will operate in coordination with the Korean government, and the government of the host country, Nicaragua which has expressed its non objection to this operation and its corresponding activities (see [IDBDocs#38921386](#)). In addition, it is worth mentioning that this is a research and dissemination TC since a group of countries (Nicaragua, Guatemala, Costa Rica, El Salvador, Panama, Honduras and the Dominican Republic) concurs and they have endorsed this project (see [IDBDocs#38869937](#)). Moreover, the TC is aligned with the Broadband Special Program approved by the board in March 2013.

V. PROJECT RISKS

- 5.1 This project entails three risks that could potentially affect the impact and quality of the training and the stability of the Center: (i) how to effectively collect and address each country's demands and interests, and accurately reflect them into the training courses; (ii) how to guarantee the operations during the first three years with the contributions from the Bank and the Government of Korea, and (iii) how to sustain the Center after the three-year commitment from the IDB and Korean government has elapsed.
- 5.2 The first risk will be mitigated by utilizing a client oriented approach in developing and designing the courses and contents, meaning that the content is going to be developed in accordance to the needs of the clients. The second risk will be mitigated by continuing having a fluid contact with the Korean Government and present partial results that showcase the benefits that the training center brings to the Region. The third risk will be mitigated by gradually building consensus among stakeholders in the process of operating the Center as well as possible funding opportunities and partnerships that would provide for its sustainability. With countries' willingness to continue to operate the Center based upon positive results and impact from the initial three-years of operation, there are several options for the funding model, such as the following: (i) co-commitment and funding by participating countries; (ii) combination of funding by both participating countries and other public and private institutions; and (iii) formalization of the Center as a part of the IDB.

VI. EXCEPTIONS TO THE POLICY OF THE BANK

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

VII. ENVIRONMENTAL STRATEGY

- 7.1 Given the nature of the current TC which revolves around the content design operativeness of the Center, there are no social or environmental risks associated with it. This operation is classified as a Category "C" according to the classification toolkit of the Bank (see the link: [IDBDocs#38664940](#)).

ANNEXES:

- Annex I – Terms of Reference ([IDBDocs#38823744](#))
- Annex II – Procurement Plan ([IDBDocs#38825269](#))

OPERATIONS OF THE REGIONAL BROADBAND TRAINING CENTER (PHASE I)

RG-T2461

CERTIFICATION

I hereby certify that this operation was approved for financing under the Special Broadband Program Fund (BBD) through a communication dated April 25, 2014 and signed by Mr. Sergio Zwi (ORP/GCM). Also, I certify that resources from said fund are available for up to US\$500,000 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 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, for which the Fund is not at risk.

(Original Signed)

07/15/2014

Sonia M. Rivera
Chief
Grants and Cofinancing Management Unit
ORP/GCM

Date

APPROVAL

Approved:

(Original Signed)

07/15/2014

Carlos Santiso
Chief
Institutional Capacity of State Division
IFD/ICS

Date