

PD-AAF-932

5180017

(a)

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT PAPER FACESHEET		1. TRANSACTION CODE <input checked="" type="checkbox"/> A A = ADD <input type="checkbox"/> C C = CHANGE <input type="checkbox"/> D D = DELETE	PP 2. DOCUMENT CODE 3
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8. ESTIMATED FY OF PROJECT COMPLETION FY <input type="checkbox"/> 8 <input type="checkbox"/> 3 <input type="checkbox"/>		9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY <input type="checkbox"/> 8 <input type="checkbox"/> 0 B. QUARTER <input type="checkbox"/> 3 <input type="checkbox"/> C. FINAL FY <input type="checkbox"/> 8 <input type="checkbox"/> 3 (Enter: 1, 2, 3, or 4)	

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$1 -S/.25)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL	
IND APPROPRIATED TOTAL	21	130	1,090	210	1,300	
(GRANT)	21	130	1,090	210	1,300	
(LOAN)						
OTHER U.S. 1						
OTHER U.S. 2						
HOST COUNTRY	767	767		5,587	5,587	
OTHER DONOR(S)						
TOTALS	109	788	897	5,797	6,887	

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY <u>80</u>		H. 2ND FY <u>81</u>		K. 3RD FY <u>82</u>	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) EH	663	721		130		400		450	
(2)									
(3)									
(4)									
TOTALS				130		400		450	

A. APPROPRIATION	N. 4TH FY <u>83</u>		O. 5TH FY		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED MM YY <input type="checkbox"/> 04 <input type="checkbox"/> 81
	C. GRANT	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1) EH	320				1,300		
(2)							
(3)							
(4)							
TOTALS	320				1,300		

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

1 1 = NO
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I. SUMMARY AND RECOMMENDATION

A. Problem and Proposed Response

GOE development efforts over the past 20 years have been severely constrained by a shortage of sufficiently trained public sector personnel. Poorly developed plans, inadequate management systems, cumbersome financial mechanisms, and lengthy delays in approving plans and contracts, disbursing funds, and otherwise implementing projects are commonly encountered problems which usually lead to development projects being less successful than they otherwise would be. As a result, the quantity and quality of services delivered to the poor have been impaired.

While many mid to upper level public sector employees are well qualified in their technical fields, they lack training in administration and management, in planning, and in the design and implementation of projects (particularly those that impact on the poor). As the GOE and other donors realize, this is due to the lack of a national training system for the public sector that can provide management training on a regular and systematic basis. Currently, training is done by individual entities, is uncoordinated, usually is technically oriented, is unduly costly, and uses inappropriate methodologies.

As part of its National Development Plan, Ecuador's recently elected democratic government intends to carry out significant reforms within the public administration. As part of these reforms, a National Training System will be established to address the constraints indicated above and thus improve the quality and capabilities of Ecuadorean public administrators in designing and managing development projects.

B. Project Description

The purpose of the Project is to assist the GOE institutionalize a viable and operational National Training System for the public sector. By creating a central coordinating body within the GOE's National Bureau of Personnel (DNP), by upgrading the staff of training departments in various GOE ministries and agencies, by creating inter-institutional training organizations in the provinces, and by developing appropriate training methodologies, the System should eventually be able to effectively train all GOE mid and upper level managers involved in development.

During project implementation, emphasis will be given to training personnel within those sectors in which AID is undertaking development programs. For example, a model training effort will be carried

out for personnel of the Ministry of Agriculture under the Project. The National Training System will also help study and recommend measures to address some of the public sector personnel weaknesses other than training.

C. Project Funding

AID will assist the Project by financing both long and short-term technical assistance (\$670,000), equipment and materials (\$249,700), U.S. and third country training (\$90,000), and in-country training (\$50,000). Adding in inflation and contingency factors, AID will contribute \$1,300,000 in grant funds over a period of four FYs.

The GOE counterpart will be the equivalent of \$5,587,346. Most of this (\$4,273,680) is for personnel to be assigned to the National Training System, many of whom already work in various training capacities in the DNP or other GOE agencies. The GOE will also assume the major part of in-country training costs during the Project (\$1,247,000). Though AID is supplying only a small portion of Project costs, it will be serving as a catalyst to get the National Training System underway, through providing essential technical assistance, equipment, and training, almost all of it requiring foreign exchange.

D. Project Committee

This Project Paper was prepared with the assistance of the following:

Patricio Maldonado, Program Officer, USAID/E
Michael Hirsh, Capital Development Officer, USAID/E
Barry Heyman, Human Resources Development Officer, LAC/DR
Juanita Acevedo, U.S. Department of Labor
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Susan Saunders, Triton Corp.

The PP was reviewed by the following:

John Sanbrailo, AID Representative, USAID/E
Angel Díaz, Deputy AID Representative and Chief of the Program Office, USAID/E

Considerable input to the Project, both as to substance and provision of information, was obtained from numerous employees of the GGE.

Special recognition goes to:

Dr. Augusto Alvarado, Director of the DNP

Dr. Raul Arturo, Director of the Grupo Coordinador de Desarrollo Administrativo (GCDA).

Special recognition also goes to Arq. Carlos Luzuriaga, who with USAID funding prepared an excellent study on public sector training in Ecuador, on which much of this PP is based.

E. Recommendation

The Project Committee finds the Project technically, economically, socially, financially, and institutionally sound and recommends that AID/W approve it as herein presented.

II. INTRODUCTION AND OVERVIEW

After nine years of dictatorial rule, Ecuador recently elected a civilian government. The new GOE administration that assumed office on August 10, 1979, has committed itself to major structural and social reforms that can more effectively deal with Ecuador's widespread poverty and other serious development problems.

Throughout Latin America, Ecuador has become a symbol of the return to democracy and of the potential of democratic governments to deal with fundamental development problems. What happens in Ecuador and other key countries, particularly regarding their capacity to deal with widespread poverty problems, may well shape the evolution of democratic governments in the LAC region in the 1980s.

This past July, President-elect Roldos made a seven nation trip, declaring his support for human rights, democracy, and socio-economic reforms directed to the poor. One stop on this trip was the United States, indicating his appreciation for U.S. support to the Ecuadorean retorno process. President-elect Roldos received widespread expressions of encouragement and support from the U.S. Congress and from private sector groups. Several representatives expressed their strong interest in seeing a new AID program initiated that would assist the Roldos Administration confront Ecuador's serious poverty problems. President Carter received President-elect Roldos in the White House and expressed the USG's interest in cooperating with the New Ecuadorean Government.

Within Ecuador, the new Roldos Government has been greeted with widespread enthusiasm. The President and Vice President emerged from the election with 70% of the vote and the largest electoral majority ever given to any candidate in Ecuadorean history. There is a great deal of euphoria about a new beginning. President Roldos (39 years old) and Vice President Hurtado (40 years old) represent the emergence throughout Ecuadorean society of a new group of young, democratically oriented technocrats strongly committed to overcoming Ecuador's historic development problems. As President Roldos has expressed, he fully hopes that a new page in Ecuadorean history will begin in 1980 with the initiation of the GOE's new development program.

Yet Ecuadorean democracy is still fragile. After nine years of dictatorial rule, the country is currently passing through a difficult readjustment period. Expectations, particularly among the poor, are high. The GOE must confront these expectations at a time of significant budget deficits, declining oil exports, stagnating agricultural production, and rising inflationary pressures. Serious institutional, technological, and human resource constraints must be overcome to significantly expand the delivery of resources and services to the

poor. Should these limitations frustrate the proposed reforms, major questions could be raised in Ecuador about the ability of democratic regimes to undertake fundamental development programs. For these reasons the U.S. has a strong interest in cooperating with the new Roldos Government in translating its socioeconomic policies into programs that benefit the poor.

A. GOE Development Goals and AID Priorities

The previous Government's National Development Plan 1973-77 (NDP) stressed the need to improve the capability of the public sector. The strategy set forth in the Plan emphasized the training of "public sector employees in the knowledge of new techniques, procedures, and methods of modern administration so as to obtain a proper team of highly qualified personnel (NDP p.69)." The Plan also stated that manpower training was one of the principal areas for donor organizations to concentrate their efforts (NDP p.29).

The implementation of the Plan resulted in several concrete steps which led to significant improvements in the public sector. In 1973, with AID technical assistance, the Ecuadorean Educational Credit and Scholarship Institute (IECE) was established to coordinate all scholarships and educational credit available in country and abroad and to make information available throughout the public sector on potential scholarships. The establishment of IECE marks the beginning of a coordinating mechanism for training within Ecuador. In 1974 the GOE established the Administrative Development Coordinating Group (GCDA) as an advisory body to the General Secretariat for Administration. GCDA is charged with designing strategies for guiding and coordinating improvement in the public sector's administrative system, with particular emphasis on promoting self-reliance within public agencies.

During the planning period (1973-1977), the National Bureau of Personnel (DNP), which had been established in 1963, was given greater training and other authority through implementation of the Civil Service and Administrative Career Law. Prior to this period, DNP had not been given the power to carry out its legal mandates of training public sector personnel and assisting other public agencies in establishing personnel administration rules and procedures. Also during the planning period, many other public sector agencies began to perform significant training functions, largely as a result of increased availability of government revenues.

These successes notwithstanding, an evaluation conducted by the National Planning Board (JNP) of the accomplishments of the Plan

revealed that the GOE was not yet meeting the manpower training needs of the country. Specifically, the evaluation stated: "Training of public servants must be systematized.... Priority must be given to the training of personnel in public enterprises, especially at the managerial level."^{1/} A cabinet meeting in 1977 also assessed the status of the GOE public administration system and concluded that dispersion of authority and responsibility, inconsistency in the decision-making process, inadequate inter-institutional coordination, and inadequate use of data processing technology were identified as principal obstacles preventing the public administration system from making further gains.

The concern of the previous government for improving the quality of the public administration continues into the present. The new Government has developed a five year development plan which is expected to be finalized early in CY 1980. A preview to the plan is contained in a recently published document, "21 Programming Guidelines Orienting Government Efforts", which was part of the Roldos campaign platform.

The twenty-one Guidelines place high priority on the well-being and dignity of all Ecuadoreans, particularly on human rights, social justice, rural development, provision of essential services, and education reform, including the eradication of illiteracy and increase in technical education. The sixth priority listed is administrative reform, as a means of developing an efficient, technically competent, and decentralized public administration. The high priority given in the document to administrative reform is consistent with all statements made by the Government to date and will receive important treatment in the soon to be finalized 1980-1985 National Development Plan.

The USAID is developing a new country program that is being designed to support those highest priority elements in the GOE's National Development Plan. Emphasis is being placed on integrated rural development including agriculture, health-nutrition, and human resources development, on integrated urban development including low-cost housing, and on family planning and non-conventional energy. While there are several areas which need attention within education and human resources development at

^{1/} Evaluación del Plan Integral de Transformación y Desarrollo, 1973-77, p. 13.

the present time, USAID believes that highest priority should be given to improving the public sector capability to administer and manage development projects. ^{1/}

The proposed Training for Development Project will cut across all sectors in which USAID plans to work in 1980-85. It will provide the improved management capacity that will contribute to the implementation of all future AID projects and it is therefore being proposed as one of the first new AID projects to be initiated in Ecuador.

B. Statement of Problem

GOE development efforts during the past 20 years have been severely constrained by the shortage of sufficiently trained manpower in the public sector. As a result, the quantity and quality of services delivered to the poor have been substantially impaired. The impact of this human resources constraint on development projects is felt in nearly all sectors. Poorly developed project plans, inadequate planning, cumbersome mechanisms for transferring funds, and lengthy delays in approving plans and contracts, disbursing funds, and implementing projects are among the commonly encountered administrative and managerial problems which usually lead to projects in all sectors not achieving all of their objectives.

The GOE, in a recently conducted review of its development activities, concluded that the deficiencies in the public sector administrative system are largely responsible for the failure to achieve many of the GOE's development objectives. The same study also indicated that while many public sector employees are excellent technicians in their respective fields, they are often deficient in managerial and administrative skills. Thus, a major gap exists between the GOE's strong commitment to the poor and its administrative and managerial capacity to implement successful development projects.

The deficiencies in the GOE public administration system have also been noted by most donor agencies which operate within the country. USAID's FY 1981 CDSS identified the insufficient number of trained and experienced personnel at the national level to plan, manage,

^{1/} Rural primary education (including bilingual/bicultural education), nonformal education of the type previously grant funded by USAID, and vocational education are three other subsectors which USAID plans to support in the future.

and carry out socio-economic development activities as one of the "major constraints adversely impacting on the Government of Ecuador's capacity and ability to effectively utilize external assistance and carry out development projects." A recent (July 1979) World Bank report on Ecuador similarly concluded: "Improvement in the efficiency of the public sector would have a beneficial impact on the identification, preparation, and execution of development projects in Ecuador."

Perhaps the most in-depth study of the problems of Ecuadorean public administration was completed by the United Nations in 1978. It identified the following as the major weaknesses of the sector:

- a) Scarcity of human resources sufficiently qualified for performing functions of direction and management, functions of technical and programming analyses, and supporting functions.
- b) Insufficient capacity to train personnel as per the needs of the public sector, both in educational centers and in the same public agencies.
- c) Scarcity of research and statistical data on public administration to support decisions promoting administrative reform.
- d) Deficiencies in organization, systems, and procedures of public administration.

Recognizing the magnitude of the human resources problem, the GOE in the last seven years has initiated a series of activities to overcome the lack of sufficiently trained public sector personnel. The GOE has encouraged the development of training programs in 23 ministries, agencies, and autonomous institutions. Additionally, the DNP has been strengthened, resulting in an improved public sector training capability. The DNP in 1977 conducted a survey to determine the training needs of the public sector. The study concluded that current training programs within the 23 GOE organizations conducting training focus principally on technical areas and are unable to adequately meet the management training needs of the public sector. The study noted that training for public sector personnel should concentrate in the areas of planning, financial management, personnel administration, management techniques and methods, applied research, and manpower planning. Additionally, it was observed that due to the lack of a formalized national training system, coordination among the training entities is minimal and is only carried out on an ad hoc basis. This lack of coordination has resulted in poor utilization of Ecuador's limited resources. A final conclusion was that the training entities suffer from internal organizational deficiencies which diminish the impact of their training.

The capacity and capability of the public sector must be strengthened if the Roldos administration is to achieve its growth with equity objectives and is to satisfy the country's social and economic development needs. For these reasons, the development of a competent, motivated, and effective public sector is a major priority in national development planning. The GOE is undertaking a public administrative reform. The development of a National Training System (NTS) is a principal component of this initiative. However, there are a number of constraints impeding full and immediate implementation of this system. The following section examines these constraints in detail.

C. Constraints

While the GOE has taken specific steps to alleviate the deficiencies in the public sector, a series of constraints hinders further progress in the implementation of activities to strengthen the administrative capacity of the public sector.

1. Policy Constraints

The lack of a national training policy was identified as a major problem in the public sector by a survey of GOE institutions conducted in 1977 by the DNP. Fifty-one percent of the agencies surveyed considered the lack of a national training policy the major obstacle to improving the administrative and managerial capacity of the public sector. A national training policy is essential as a first step toward formalizing and implementing a viable National Training System. Without this policy it is dubious that training of public sector personnel could be carried out effectively and efficiently on a national basis. The DNP, in response to this need, recently drafted a National Training Policy which was to have been adopted by the GOE in early December 1979. ^{1/} Cabinet changes within the GOE are expected to delay the signing of the policy until early CY 1980.

2. Institutional Constraints

The 1977 survey conducted by DNP identified the lack of inter-institutional coordination among the top three constraints to more effective training of public sector personnel. At present 23 training programs function in various ministries, agencies, and autonomous institutions. These training programs operate autonomously with little coordination or exchange of inform-

1/ Annex 2 contains a draft version of the policy.

ation among them. Training activities are designed and conducted with little or no knowledge of parallel activities in other agencies.

Lack of inter-institutional coordination severely limits effective utilization of Ecuador's scarce resources. Training efforts are disjointed and fragmented. Staff, equipment, and facilities of these organizations are underutilized. Collective resources are not combined to concentrate training activities where they are most needed. As a result, the impact of the training currently provided is significantly reduced.

Another institutional constraint relates to the existence within the GOE of six distinct personnel systems. Though DNP is charged with administering only one, the largest of the systems,¹ it is de facto responsible for the training programs of the entire public sector, regardless of the personnel system to which trainees belong. In order for DNP to operate effectively throughout the sector, it is necessary that the national training policy clearly establish DNP's authority for training public sector personnel from all six personnel systems.

Financial Constraints

There is a financial constraint which has hindered the GOE from doing training other than in technical areas and from establishing a true NTS. GOE institutions spend a fair amount in training; in 1977, for example, 18 GOE agencies spent an average of \$345,000 each to train a total of approximately 10,000 employees. Because, however, of the uncoordinated nature of the training and the other problems discussed in this PP, the cost per trainee is relatively high, leaving little money for conducting training other than in basic technical areas. Furthermore, the DNP's budget can only cover the essential training it must give. Funds, particularly foreign exchange, have not been available to establish an effective NTS.

Outside financial assistance, particularly foreign exchange, is necessary to serve as the catalyst to bring the dispersed efforts and budgets together into a coordinated NTS. It is estimated that the outside financial assistance under the proposed Project will allow the GOE to accomplish in three

¹/ Approximately 70% of the 190,000 public sector employees belong to the Sistema Integrado de Personal (SIP).

years what would have required at least seven without such assistance.

4. Technological and Methodological Constraints

Ecuadorean training entities are confronted with a host of technological and methodological constraints which affect the quality of the training provided to public sector personnel. There is a shortage of trained personnel capable of planning, designing, managing, and implementing training programs. In addition, current training approaches need to be strengthened and updated to maximize their impact on participants.

The current capability to conduct organizational and personnel needs assessment is limited. For training to be effective, curricula must be developed to address the specific areas identified through an ongoing needs assessment process. Materials presently used do not always lend themselves to the current needs of public sector personnel. As a result, training is less than effective and perpetuates the belief that administrative training is not beneficial. These problems are compounded by a lack of standardized criteria to select participants for training. Criteria for interviewing, selecting, recruiting, and placement of participants are critical elements in any training process. Frequently, newly trained personnel are placed in positions which cannot adequately take advantage of their recently acquired skills.

Finally, there is no formal process to collect, monitor, and evaluate training activities. Each of these elements is an integral part of a training system. Without these elements, efforts to improve and strengthen training are sporadic and haphazard.

D. Other Donor Training Activities

Ecuador currently receives development assistance from a number of multilateral and bilateral organizations. The International Bank for Reconstruction and Development (IBRD) and the Inter-American Development Bank (IDB) constitute Ecuador's major sources of external assistance. Other multilateral organizations, such as the United Nations agencies and the Organization of American States (OAS), provide limited assistance. The principal bilateral programs are provided by Japan, Great Britain, Belgium, Germany, and France.

Donor organizations recognize the need to train project personnel to carry out development projects and include some type of training

as a component in each development project. However, the training provided by these projects is generally in technical areas.^{1/} Little emphasis is given to public administration. UNDP/FAO, for example, in a Dairy Products Development Project, is providing approximately 6 person months of U.S. and third country training for Ecuadoreans in milk production and quality control. Similarly, the IDB in a Grain Storage and Marketing Project with the Empresa Nacional de Comercialización (ENAC) is providing approximately 15 person months of U.S. and third country training for Ecuadoreans in grain storage and commercialization. While these efforts enhance prospects for project success, the lack of sufficiently trained personnel to design, administer, and manage development projects significantly reduces their impact. At present, no donor agency is assisting the GOE in developing an institutional capability for training its public sector personnel in management and administration.

^{1/} In 1978, only 10% of the overseas scholarships provided to GOE employees were in administrative and managerial areas.

III. PROJECT BACKGROUND

A. Prior AID and Other Donor Efforts in Public Administration

From the mid 1950s to the late 1960s, AID and its predecessor agencies, through several projects, provided substantial assistance to the GOE in a wide variety of public administration fields, viz., tax administration, customs administration, financial administration, municipal improvement, city management, economic planning, and civil service reforms. ^{1/} As a part of this effort, AID funds were used to assist in the creation of a number of host country institutions, including Centros de Ejecutivos in Quito and Guayaquil, a national cooperatives organization, and the School of Public Administration at Central University in Quito. AID inputs largely financed technical assistance advisors, training programs (in-country and overseas), and to a lesser extent equipment and materials.

AID's assistance in public administration fell far short of projected goals. This was primarily attributable to the fact that the ideas for the projects largely emanated from AID and had only minimal GOE support. Additionally, working in a wide variety of fields, several of which were politically sensitive, the high visibility of U.S. advisors in many GOE offices, and the fact that these advisors were loan funded, also contributed to the partial failure of the projects. As a result of the poor performance and adverse GOE reactions, USAID and the GOE agreed to the termination of AID public administration programs in the late 1960s.

Despite the shortcomings of AID assistance in public administration several elements of the projects were successful. Nearly 300 Ecuadoreans received long and short term U.S. and third country training; ^{2/} a 1974 follow-up report indicated that over 90% of these participants continued working on their jobs. In-country training programs in public administration were provided to over 5,000 GOE public sector employees. Additionally, several of the institutions created with AID assistance are still in operation and currently play a significant role in the training of public

^{1/} The amount of funds provided from 1955-1972 was in excess of \$5 million.

^{2/} Fields included Organization and Management, Personnel Administration, Public Finance and Budgeting, Organization and Methods, Business Administration, Statistics, and Administration Services.

administrators. ^{1/} Perhaps the most important achievement of prior AID assistance in public administration was the creation within the GOE of an awareness of the importance of improving the administrative and managerial capability of the public sector.

Since 1972 only one donor agency has provided direct assistance to the GOE in public administration. The UNDP from 1974 to 1977 assisted the GOE, through the DNP, to improve the level of efficiency of public sector organizations by developing GOE human resources. ^{2/} Four hundred and ten thousand dollars were provided by the UNDP, over 85% of which was for technical assistance. Thirty five thousand dollars were used to purchase equipment; less than \$10,000 were for in-country and overseas training. The project achieved limited success. Several hundred GOE public sector employees were trained in public administration, personnel administration, social research, and educational technology; a large number of publications and reports were produced; research was conducted; the DNP was strengthened; and training policies were formulated and developed. However, the lack of Ecuadorean participation in the selection of technical assistance personnel, the heavy emphasis on technical assistance not necessarily responding to Ecuadorean needs, and the diffuse project objectives were the primary factors which explain only the partial success of the project.

The AID and UN projects finished their respective implementation periods having obtained a wealth of experience, some successes, and some failures. The evaluation documents of the various projects are clear as to the problem areas. In the Project proposed herein, USAID intends to build on past successes and learn from past weaknesses. Most importantly, it intends to make this much more of an Ecuadorean project than the previous projects were, and Ecuadorean participation is clearly reflected in the design of this Project.

B. Existing Training Arrangements and Facilities

As of the present, 23 public sector ministries, agencies, and autonomous institutions provide the bulk of training for public

^{1/} For example the Centro de Ejecutivos in Guayaquil, the Centro de Formación Empresarial - CEFE (formerly the Centro de Ejecutivos) in Quito, and the School of Public Administration at Central University.

^{2/} The UNDP has also provided assistance in certain public administration other than training, particularly TA to the GCDA.

sector employees. Additionally, some public sector employees are trained by within-country private sector institutions and overseas. The 10,000 public sector employees trained in 1978 were distributed approximately as follows:

<u>Training Source</u>	<u>Number of Trainees</u>	<u>Average Length of Training</u>
Public Sector	8,624	1 week
Private Sector	810	1 week
Overseas	<u>566</u>	6 months
TOTAL	10,000	

The courses generally offered within the public sector are in mostly technical areas and are related to the specific technical-operational needs of the trainee's institution. Of the nine private entities which supply training to the public sector, four (the Centro de Ejecutivos in Guayaquil, the Centro de Formación Empresarial - CEFE in Quito, the Centro de Motivación y Asesoría - CEMA, and Planificación Económica - Empresarial) together provide over 80% of the training.

Overseas training programs for public sector employees in 1978 were in the following fields:

<u>Field</u>	<u>Number of Trainees</u>
Agriculture and Livestock	250
Natural Resources	260
Planning	56

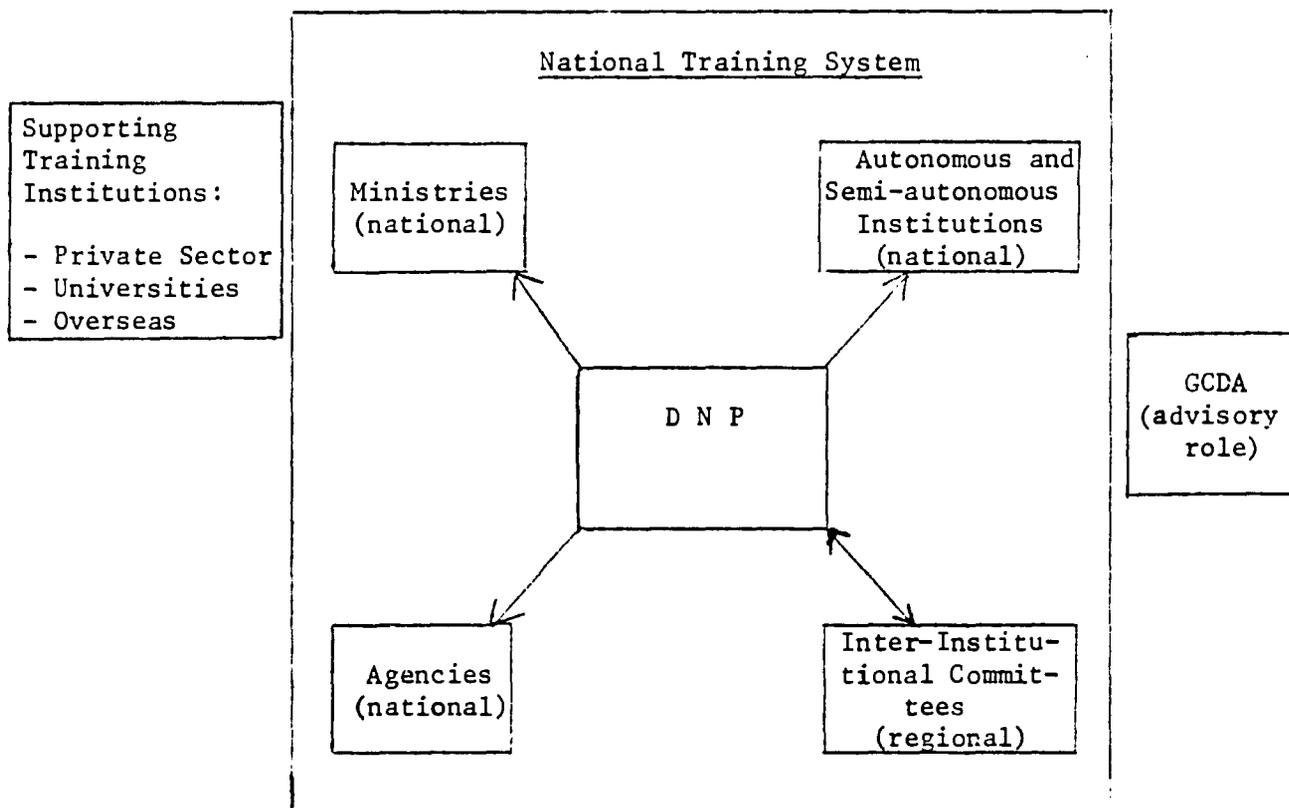
As has been previously mentioned, the 23 GOE institutions conducting training loosely constitute a public sector national training system. The system's beginnings can be dated to 1973 when DNP started training activities for auxiliary (clerks and secretaries) and for mid and senior level executive public sector personnel. These first efforts were directed at satisfying the needs of those who worked in the central ministries (the SIP personnel system). As a result of the programs offered, other public sector, nonministerial institutions (for example, the Ecuadorean Telecommunications Institute (IETEL), the Ecuadorean-Petroleum Corporation (CEPE), and the Ecuadorean Institution for Agrarian Reform and Colonization (IERAC)) began requesting DNP training services in several areas, but particularly in management and administration.

The development of these training courses required DNP's Training Department to begin establishing close relationships with the heads of the training units in the various public sector

institutions. The need for an NTS emanated from these relationships and was viewed as a means of fulfilling the need for a system to control and coordinate all public sector training. The previously cited DNP training survey conducted in 1977 underscored the need for an NTS. Concomitant with the role which the DNP assumed with other training units, DNP also helped establish Inter-Institutional Committees for Training (IICs) at the provincial level in two provinces. These Committees work with provincial level representatives of central government agencies (including DNP Zonal Delegations) as well as local level government representatives, and are responsible for analyzing training problems within their jurisdictions and for coordinating efforts to resolve them, under the general guidance of the DNP Zonal Delegations. Two IICs have been set up, one in Cuenca (Azua Province) and one in Guayaquil (Guayas Province); at present the one in Cuenca is the more effective. DNP Zonal Delegations operate in all 20 provinces in the country.

The NTS can be visualized as follows:

Figure 1



The basic components of the NTS are as follows:

- DNP Central Staff: is the central unit of the system and has the legal authority to direct it. It also has the responsibility to coordinate training actions at the national and regional levels and to conduct training programs in administrative aspects for Government and operational personnel.
- Ministries and autonomous and semi-autonomous internal and regional entities. These institutions, many with their own training units which conduct training in technical and administrative areas, receive advisory and training services from the DNP.
- Provincial Inter-institutional Committees, which are formed by local authorities, ministry representatives, and regional autonomous and semi-autonomous entities. These Committees have the responsibility to advise the regional DNP office on regional training needs and to coordinate training actions for the region.

The supporting institutions for the NTS are:

- The GCDA. The GCDA will have an advisory role to assure that the development of human resources is compatible with the overall administrative development of the government.
- Supporting training institutions. The private sector, local and overseas universities, and other institutions will provide training services on specific NTS needs.

The System as presently constituted does not operate in a coordinated fashion. Training needs are largely determined on an individual institution basis. Most institutions are not aware of courses being offered by other agencies, and as a result, duplication of efforts often occurs. Criteria for selection of trainees both for in-country and overseas training are the responsibility of each institution; in many cases no formal criteria exist. Teaching methodologies are mostly traditional, with no provision to consider individual learner differences. Additionally, information is not centrally available to judge the effectiveness of programs and of the System in meeting its needs. Given the lack of centralized information, it is difficult to estimate the amount of resources spent on training within the System.

IV. PROJECT DESCRIPTION

A. Project Strategy

This Project will assist the GOE in institutionalizing and formally establishing a viable and operational National Training System (NTS) for public sector personnel, which now operates only on an ad hoc basis. The Project represents a first and significant step to permit the GOE to plan and implement an effective ongoing public sector training program. The public sector training needs which have been identified as requiring greatest emphasis are in managerial and administrative areas. Rather than emphasizing, as originally described in the PID, U.S. training of participants, Project strategy has been shifted to maximize in-country training. Thus, the amount of U.S. and third country training has been reduced substantially from 420 pm as presented in the PID to 60 pm (20 individuals for three months each). Those who will receive training abroad will largely be trainers of trainers. Additionally, in order to accelerate the development of an in-country training capability, the amount of U.S. and in-country technical assistance has been increased from the level presented in the PID (\$106,728) to \$660,000. The technical assistance to be provided will assist the GOE in developing an operational System, provide for the training of trainers, and assist in implementing in-country training courses. This strategy will permit the GOE to develop its in-house training capacity in a shorter period of time, thus reducing the GOE's dependence on more costly overseas and private training programs.

As originally described in the PID, the Project was to consider plans for the development of a National Training Center as a key institution within the NTS. During intensive review, the advantages and disadvantages of the establishment of a National Training Center were examined. Based on a careful review of DNP's legal mandate 1/ and other factors, it was concluded that the Center would not be the most appropriate solution at this time. When properly staffed and with adequate budgets, the NTS, with DNP playing the central role, will have the capability of performing all necessary national public sector training functions. The creation of a National Training Center would require additional resources and take considerable time. During Project implementation, creation of a National Training Center will continue to be assessed.

1/ Civil Service and Administrative Career Law, March 6, 1964 - Title III, Chapter V, Article 105.

During intensive review, the role of GOE public and private universities was examined to ascertain their potential involvement in the Project. It was concluded that since most public and private universities do not offer training in public administration, their potential role is minimal. An exception to this are the Schools of Public Administration at the Catholic and Central Universities in Quito, where it is anticipated that NTS personnel in collaboration with technical assistance advisors will establish more direct relationships in order to increase the impact of these universities' training programs for public sector employees.

Additionally, it is anticipated that the NTS will make periodic, although limited use of private in-country training institutions, such as the Centro de Ejecutivos in Guayaquil and CEMA and CEFE in Quito. In most cases DNP will contract with these institutions for the services of individual instructors and consultants.

Another aspect of the Project strategy has been modified since presentation of the PID. As originally presented, DNP was to be designated as the counterpart agency, with GCDA and IECE given authority for approving individual training activities. As a result of a careful review of DNP's legal mandate regarding training and its operational capability, as well as an analysis of GCDA's and IECE's functions, it was determined that DNP's role in project implementation should be stronger than originally planned and that GCDA's and IECE's roles should be more limited. GCDA will primarily provide policy guidance on administrative reform and make recommendations on training policy for the NTS, as well as participating in annual project evaluations. IECE will be the primary entity responsible for coordinating public sector overseas training efforts.

The Project proposed herein has been designed taking into account previous AID and other donor experiences in Ecuador with public sector training programs. This Project is different from previous efforts for the following reasons.

- Administrative reform and public sector training are being given highest priority within the new GOE at the policy and the implementing levels. Both President Roldos and Vice-President Hurtado have spoken out continuously on the need to upgrade management skills in GOE agencies and to improve the efficiency of the delivery of resources and services to the poor.
- The training system to be assisted by the AID Project has been designed by Ecuadoreans (in DNP and GCDA). AID contractors confirmed its feasibility, but it is basically an Ecuadorean

system. The proposed Project was developed in close coordination with a DNP/GCDA working group that identified the needed inputs and specified which they would like AID to consider funding. The Project thus involves considerable GOE input and commitment.

- The proposed Project is focused on assisting the GOE institutionalize its national training system. Emphasis is being placed on the building of a system through the system's conducting in-country training courses. For the first time there will be a systematic approach to addressing the basic human resources problems of the public sector, rather than the diffused and sporadic efforts of the past. All GOE/AID inputs have been planned as a coherent whole with clear institution-building objectives that the GOE carefully negotiated with AID. The objectives of the GOE/AID Project are clearly stated and well understood by the DNP and GCDA.

- The technical assistance to be provided through the AID Project has been specifically requested by DNP and GCDA. These two entities will select the contractors and do the contracting. Detailed scopes of work for the proposed advisors have been developed and negotiated with DNP/GCDA. An important criterion for the selection of advisors will be their previous work experience in public sector management training programs in other Latin American countries.

B. Logical Framework Narrative

Goal

The Project's goal is to improve the quality and capability of Ecuadorean public administrators in designing and managing development projects to benefit the poor. This Project will contribute to the achievement of this goal by improving the administrative

and managerial skills of public sector personnel involved in development and implementation of development projects.

The measures of goal achievement include (1) reduction of attrition from the public to the private sector, (2) more and better development projects impacting on marginal populations (both urban and rural) throughout the country, and (3) the GOE achieves the main targets set forth in its National Development Plan in key sectors (agriculture, health, education, and housing). The achievement of these measures of goal achievement will be verified from government records, reports, and evaluations.

The key assumptions linking the Project purpose and goal are as follows: (1) There will continue to be a GOE commitment to the Twenty-One Programming Guidelines and the new five year National Development Plan. (2) The GOE continues to receive a significant level of foreign assistance from bilateral and multilateral institutions each year. (3) The GOE continues to invest a significant level of its revenues in development activities. (The GOE presently invests about 67% of its revenues in development activities.)

Purpose

The purpose of this Project is to assist the GOE in institutionalizing a viable and operational National Training System for the public sector. The Project will be implemented by the National Bureau of Personnel (DNP), the GOE agency responsible for implementing the NTS. The Training Department within DNP will have day-to-day responsibility for Project implementation. The development of a viable and operational NTS will lead to improved and more effective training programs for those middle and upper level GOE personnel who direct and manage development programs and projects. The majority of the Project inputs will be to strengthen the DNP's capabilities to manage and implement the NTS.

End of Project Status (EOPS)

1. A functioning NTS, with 332 professional and 128 support personnel involved in it, distributed as follows:

	<u>Prof.</u>	<u>Support</u>	<u>Total</u>
DNP Central Staff	18	8	26
DNP Zonal Delegations	20	20	40
From other GOE agencies	214	100	314
Inter-institutional Committees	<u>80</u>	<u>-</u>	<u>80</u>
	332	128	460

All 332 professionals will be trained by the end of the Project in areas appropriate to their functions (see output 9 below). With key staff trained from all agencies participating within NTS, there will be the human resource capability to operate the System.

2. The GOE will be making ongoing and incremental budget allocations to DNP and other agencies to operate the NTS. This will measure the GOE financial commitment to the NTS.
3. A Ministry of Agriculture (MAG) training model will be in place with a minimum of 240 MAG personnel trained and the model in use within MAG for ongoing training programs. A key element of the success of the NTS will be its ability to develop training models for the various participating agencies. Given the high priority attached to agricultural development by the GOE and USAID, MAG will be selected as the target ministry for the development of a training model of administrators and managers. The model will be considered a success if 240 MAG personnel are trained and if it is being used to train other MAG personnel.
4. A minimum of 3,380 managers and administrators from ministries and other agencies will be trained by NTS as public administrators. This will measure the NTS' ability to provide public administration training. A large share of the 3,380 persons trained will be concentrated in the following ministries: Agriculture, Health, Housing (Junta Nacional de la Vivienda), and Education. This number of trainees constitutes approximately 18% of the total number of GOE public sector mid and senior level officials.
5. The NTS will be performing the following ongoing functions in addition to training: conducting needs assessments, evaluating the effectiveness of training programs, and conducting research. These functions are considered vital to judging that the System is operating properly.
6. Plans will be developed by the DNP and participating agencies to provide training of additional GOE managers and administrators and to apply the MAG model to other agencies. This will measure the viability of the NTS and indicate the place at which further training will be provided.
7. Plans will be made to increase NTS staff (DNP and other agencies). The training of the remainder of the 19,000 GOE administrators and managers will require additional staff within the NTS.

The key assumptions linking Project outputs to the purpose are as follows: (1) Trained personnel will remain in the public sector. While there has traditionally been a rather large exodus of personnel from the public to the private sector, the establishment of a career development system and the institutionalization of financial and other incentives is likely to reduce the size of the exodus. (2) The GOE executive branch will continue to support the NTS. (3) GOE participating agencies will collaborate with each other within the NTS. The activities of the DNP and the measures to be instituted by the System are likely to foster the necessary level of interinstitutional collaboration.

Outputs

In order to achieve the Project purpose, the following outputs will be produced during the Project. 1/ Outputs 2-7 are geared toward strengthening the overall structure of the Training Department of the DNP, the Project implementing agency.

1. Internal Procedures Manual Developed by DNP for the NTS

An internal procedures manual will be developed by DNP, with the assistance of long-term technical advisors and in collaboration with NTS participating agencies. The manual will (a) define the roles and functions of the organizations and elements of the System and the relationships between the participating agencies, (b) provide norms and regulations (including reporting requirements) for the operation of the System, (c) provide basic criteria for selection of institutions, positions, and personnel to receive training 2/, (d) define minimum requirements for establishing training units within the public sector, and (e) provide basic guidelines for planning, programming, and evaluating training activities.

2. Management Information System (MIS) Unit Established Within DNP for NTS

This unit will be staffed with one management science and data processing specialist. The unit will design and put into operation a MIS for the NTS. The MIS, through the NTS, will collect and analyze all relevant information from NTS partici-

1/ See Logical Framework, Annex 1, for schedule of outputs.

2/ See Annex 5 for preliminary criteria.

pating agencies. The MIS will be the basis for providing feedback to the functional units and NTS participating agencies.

3. Instructional Systems Design Unit for NTS Established Within DNP

The Instructional Systems Design Unit, which will incorporate planning and programming, coordination, and technical direction, staffed with 10 specialists in educational psychology, educational technology, and communications, will be responsible for developing a competency-based, individualized, modular curriculum for administrative and management training for the NTS. The Unit will design criterion-referenced tests to measure educational objectives. The Unit will also conduct development testing. Based on the results of this testing and the activities of the evaluation unit, the curriculum will be revised and improved. Additionally, the Unit will provide training for the instructors from the participating agencies in the management of the new System, and will provide consulting and advisory services as needed to the NTS participating units in the areas of on-the-job performance, motivation, and structuring the learning environment. It will also review, select, purchase, and adapt, if necessary, instructional materials from other sources.

4. Personnel Recruitment and Selection Unit for NTS Established Within DNP

The Recruitment and Selection Unit will be staffed with two personnel administration and manpower planning specialists. The Unit's principal objective will be to establish and prioritize criteria for selecting institutions, specific positions, and participants to receive training by the NTS. Additionally, this Unit will be responsible for providing accurate and up-to-date information on the training opportunities available at various institutions. Adjustments in the recruitment and selection process will be made based on post-training evaluations of the trainees' on-the-job performance.

5. Evaluation Unit for NTS Established Within DNP

The Evaluation Unit will be staffed with two evaluation specialists, statisticians, and psychologists. It will identify, collect, and analyze summative and formative data for evaluating the Project and the NTS. It will also make periodic recommendations to improve NTS operations.

6. Research Unit with Needs Assessment Capabilities Established for NTS within DNP

This Unit will be staffed with two applied research and management science specialists. It will conduct research studies essential to the operation of the NTS. At least three studies will be carried out during the Project. These are (a) an estimate of short-term and long-term manpower needs of the public sector, (b) a determination of the incentives necessary to retain public sector personnel, and (c) design of a Public Career Planning System and linkages between it and the NTS. The Unit will also be responsible for conducting ongoing needs assessments to determine public sector training needs and to estimate the quantity and quality of inputs required to achieve the desired improvements in job performance.

7. Resource and Information Unit for NTS Established Within DNP

This unit will be staffed with one information specialist who will collect and disseminate information on the availability of training courses and on evaluation results. It will also catalogue curriculum materials and will collect and provide new material on training methodologies and curricula.

8. Institutional Linkages Developed Among GOE Agencies Participating in the NTS

A network of interinstitutional linkages will be established by the DNP to coordinate NTS activities. The first step in achieving this will be through two types of promotional efforts. The first will consist of a one-day seminar for cabinet level personnel to promote NTS activities and to elicit executive support for the System. DNP central staff, working with outside experts, will organize and carry out the seminar. It is expected that 20 persons will participate in the seminar in the first year of the Project and 20 for each of the two additional years. A two day seminar will be held for sub-secretaries, general directors, and senior level personnel of NTS participating agencies to promote support for the System and to demonstrate how it will benefit their respective institutions. Organizational development will be the principal technique used to sensitize the participants to the process of integrating administrative and managerial training into the planning and operational processes. In the first year 175 persons will be trained, 75 in year two, and 50 in year three.

Once these efforts are completed, other measures will be utilized to achieve appropriate institutional linkages within the NTS. These include: (a) participating agencies will be required to inform

DNP of all administrative and management courses to be offered by the institutions, (b) DNP will approve all new administrative and management courses offered by participating agencies, and (c) participating agencies will be required to provide regular reports on their training activities, including course content, number of participants trained, duration of courses, evaluation results, and budget data.

In addition to these specific measures, linkages will be fostered through the leadership role played by the DNP Training Department. DNP advisory services to the System and its frequent contacts with participating agencies will lead to an ongoing exchange of information among institutions. These contacts will increase the quantity and quality of the technical information shared and the level of utilization of DNP's expertise and resources. The benefits derived by the participating agencies will result in greater institutional linkages.

9. NTS Personnel from DNP and Other Agencies Trained in Public Administration

Two hundred fifty-two individuals will be trained in administration and management, research and evaluation, instructional systems design and development, training of trainers, manpower planning, and organizational development. These individuals will be responsible for the operation of the NTS. The bulk of their training will be provided in in-country seminars and workshops, along with on-the-job training. DNP Training Department staff, with the assistance of technical personnel, will conduct these activities. Twenty of the 252 individuals will be selected for three-month overseas training programs to complement their in-country programs. Most of this will be for trainers of trainers. ^{1/} Of the 252 persons trained, 185 will be instructors, 40 will be advisors and consultants for the System, and the remainder will assist in the System's operation.

10. Provincial/Regional Interinstitutional Committees (IIC) Established within the NTS

Eight new IICs will be established throughout the country. Two Committees have already been created. Their main function is to analyze public sector training problems at the regional/provincial level and to make recommendations for resolving them. The IICs are composed of representatives of national, regional, and local government agencies and work under the general guidance of the local DNP Zonal Delegation, whose representative chairs each Committee. The IIC in Cuenca, in addition to fostering

^{1/} See Annex 6 for a description of the type of overseas courses to be offered.

interinstitutional cooperation regarding training, has begun to generate overall coordination of regional/provincial development efforts and is taking on many of the functions of a regional development organization. This new dimension of the IICs will be encouraged in all new Committees to be established.

11. IIC Personnel Trained in Public Administration

Eight individuals from each of the ten IICs will receive training in the roles and functions of the NTS, as well as in those areas listed in output 9. The emphasis will be on working local level groups in order to maximize grass roots participation in the development process.

12. Curricula and Course Materials Produced for Training Public Sector Personnel

Approximately 80 modular curricula with accompanying materials will be developed for in-country training programs during the Project.

The following assumptions have been made linking Project inputs to outputs: (a) the GOE Congress will approve adequate training budgets for DNP and other participating agencies; (b) qualified technical assistance personnel are available; (c) qualified U.S. and third country training institutions will provide training on schedule; and (d) commodities (primarily training equipment) will arrive on schedule.

Inputs

The following AID and GOE inputs will be required for the Project:

1. AID Inputs

(a) Technical Assistance - \$670,000

Long-Term

Long-term technical advisory services (three persons for 72 months) will be provided to the Government of Ecuador in the areas of public administration and management, manpower planning and personnel administration, and instructional systems design and development.

The Public Administration and Management specialist (36 pm) will work with one DNP counterpart in Quito in developing and implementing the NTS. He/she will provide advisory

services and guidelines on how to carry out the management/training functions necessary for efficient NTS operation. These areas will include budgeting, personnel selection, planning, organization, and evaluation. (See Annex 4 for a detailed job description.)

The Manpower Planning and Personnel Administration specialist (18 pm) will work with two DNP counterparts in Quito in organizing a system for providing the DNP with reliable data on priority manpower needed by regions and key sectors of the economy. He/she will assist DNP in determining the short and medium term occupational and professional needs of the GOE public sector. (See Annex 4 for detailed job description.)

The Instructional Systems Design and Development Specialist (18 pm) will work with one DNP counterpart in Quito in designing, developing, and implementing a competency-based, individualized, and modularized management training system. He/she will be responsible for training Ecuadoreans to operate the training component of the System. (See Annex 4 for detailed job description.)

Short-term

Short-term technical advisory services (7 persons for 24 pm plus 6 persons for two days each) will be provided to the GOE as follows:

- An expert in training needs assessment (2 pm) to assist the DNP in establishing a systematic research procedure to assess the training needs of DNP personnel responsible for the NTS.
- An expert in public administration curricula development (4 pm) to assist DNP in establishing a curricula design and development process for training DNP and NTS staff responsible for curricula design.
- An evaluation specialist (6 pm) to assist DNP in the design and implementation of project evaluation, and to assist in the training of NTS personnel responsible for evaluation. He/she shall also provide assistance in designing evaluation systems for training courses.
- An educational psychologist (4 pm) to assist DNP in the design and provision of training to trainers responsible for the System's operation, and to assist in the formulation of training methods.

- A communications expert (2 pm) to assist DNP in setting up a training system supported by educational technological resources, and in developing promotional materials under the System.
- Six public administration and human resources development specialists for two days each to work with DNP staff in conducting one day NTS orientation seminars for cabinet level personnel.
- Two organizational development specialists (6 pm) to assist DNP in the design and development of seminars for high-level GOE officials (subsecretaries, general directors, and executive directors) in the creation of new Provincial/Regional Interinstitutional Committees (IICs) and in providing training to DNP consultants and advisors.

In-Country Experts

Eight person years of Ecuadorean specialists will also be provided. These individuals will be instructors working with DNP staff in training trainers and conducting courses.

<u>Summary TA</u>	<u>Life of Project</u>
3 LT foreign consultants (72 pm)	\$ 450,000
13 ST foreign consultants (24 pm)	168,000
8 LT Ecuadorean consultants (96 pm)	<u>52,000</u>
Total	\$ 670,000

(b) Equipment and Materials - \$249,700

An analysis of equipment and material needs for the NTS was conducted during the intensive review. The greatest requirements were found within the DNP Training Unit and to a lesser extent within the participating agencies. Based on the requirements identified, the following materials will be supplied:

<u>Equipment (unit cost)</u>	<u>DNP</u>	<u>Other Units</u>	<u>Cost</u>
<u>Projectors</u>			
Slide (round) (\$350)	4	6	3,500
Overhead (200)	8	4	2,400
Opaque (\$250)	4	4	2,000

<u>Equipment (unit cost)</u>	<u>DNP</u>	<u>Other Units</u>	<u>Cost</u>
Movie 16 mm Sound (\$800)	4	6	8,000
Screens (\$75)	12	20	2,400
Loudspeaker System (\$2000)	1	1	4,000
<u>Tape Recorders</u>			
Reel to Reel (\$500)	2	-	1,000
Cassette (\$150)	8	10	2,700
Cassette Reprod. Unit (\$1500)	1	-	1,500
35 mm Cameras (\$300)	3	3	1,800
<u>Video Production</u>			
Production Unit (20,000)	1	-	20,000
Recording Playback Units (\$1,000)	2	13	15,000
Monitors (\$600)	5	25	18,000
Cassettes (\$15)	200	100	4,500
Transparency Preparation (\$60)	10	20	1,800
Slides and Transparency Copier (\$150)	3	1	600
Composing machine for printing (\$10,000)	1	-	10,000
Electronic Paper Cutter (8,000)	1	-	8,000
Flip Charts (\$100)	15	25	4,000
<u>Miscellaneous</u>			
(office and training equipment and furniture)			77,700
<u>Materials</u>			
Books and training materials	35,800	10,000	45,800
Office supplies <u>1/</u>	10,000	5,000	<u>15,000</u>
		TOTAL	\$ 249,700

1/ AID will fund office supplies on a declining basis.

(c) Training - \$140,000

Twenty persons will participate in a three-month training program in the U.S. or third countries. The program will emphasize instructional systems design, curricula development, public administration and management, and research methodology applied to human resources development. The trainees will be selected from the following institutions:

<u>Institution</u>	<u>N° of Participants</u>
DNP	8
GCDA	2
Ministry of Agriculture	2
Ministry of Health	2
Ministry of Education	2
National Housing Board/Ecuadorean Housing Bank	2
National Energy Insitute	<u>2</u>
TOTAL	20

20 participants x 3 pm x \$1,500 =	\$ 90,000
In-country Training Costs (Travel and per diem)	<u>50,000</u>
	\$ 140,000

(d) Summary AID Inputs

<u>Technical Assistance</u>	\$ 670,000
U.S./third country Long-term	\$ 450,000
Short-term	168,000
Ecuadorean	52,000
<u>Equipment and Materials</u>	\$ 249,700
<u>Training</u>	\$ 140,000
U.S./third country	\$ 90,000
In-country	50,000
<u>Contingencies</u>	\$ 70,000
<u>Inflation</u>	<u>\$ 170,300</u>
<u>Total AID Inputs</u>	\$ 1,300,000

2. GOE Inputs

(a) Personnel: The GOE will make 460 persons available for the operation of the NTS, distributed as follows:

	<u>Prof.</u>	<u>Support</u>	<u>Total</u>
DNP Central Staff	18	8	26
DNP Zonal Delegations	20	20	40
Other GOE Agencies	214	100	314
Inter-institutional Committees	80	-	80
	<u>332</u>	<u>128</u>	<u>460</u>

The DNP currently has eight professionals involved in training. These will be assigned to the NTS, augmented by six in the first full year of the Project and four others the second year. The value of these personnel to the Project (600 months at \$630 monthly salary) is estimated at \$378,000. The DNP's support personnel involved in training, now five, will be increased by two in the Project's first year and one more the second year. The value of these personnel (240 months at \$185) is estimated at \$44,400.

The DNP zonal delegations now have 20 professionals and 20 support personnel involved in training. They will be assigned to the NTS full-time. The value of these personnel to the Project is estimated (720 months at \$555 plus 720 months at \$150) at \$507,600.

Other GOE agencies now have 120 professionals and 64 support staff involved in training, who will become part of the NTS. The DNP estimates, based on the plans and budgets of the individual agencies, that the professional training staff 1/ will increase by 75 the first year of the Project and 19 the second, and the support staff will increase by 20 the first year and 16 the second. The value of these personnel to the Project is estimated (6,348 months at \$440 plus 2,976 months at \$185) at \$3,343,680.

The Inter-institutional Committees will be made up of representatives of other public sector field level agencies, who will meet on a part-time basis. Their inputs are not quantified here, though they will be important for the success of the Project.

GOE personnel inputs for the functioning of the NTS are therefore summarized as follows:

1/ See Annex 8.

DNP Central Staff - Professionals	\$ 378,000
DNP Central Staff - Support Personnel	44,400
DNP Zonal Delegations - Professionals	399,600
DNP Zonal Delegations - Support Personnel	108,000
Other GOE Agencies - Professionals	2,793,120
Other GOE Agencies - Support Personnel	550,560
Inter-Institutional Committees	
	<hr/>
Total Personnel	\$4,273,680

(b) Facilities: A GOE contribution of \$66,666 can be attributed to rental of facilities.

(c) Training:

- Salaries of personnel while in training: 3,620 persons, 3,000 pm training x \$407 monthly salary =	\$1,221,000
- International Air transportation for 20 participants	16,000
- Materials/Supplies	<hr/> 10,000
Total Training	\$1,247,000

(d) Summary GOE Inputs

Personnel	\$4,273,680
Facilities	66,666
Training	<hr/> 1,247,000
Total GOE Inputs	<hr/> <hr/> \$5,587,346

V. PROJECT ANALYSES

A. Technical Analysis

This Project is designed to strengthen the GOE's public sector training system. In addition to shortages of human and financial resources, the impact of the existing NTS program is severely limited by the lack of a sound training process. Most candidates for training are not selected with uniform criteria; the training format used in most courses consists of lectures which are not practically oriented; training objectives are not well defined and little attempt is made to take into account trainees' individual needs; evaluation of training programs is nonsystematic and generally does not lead to significant modification of future programs; and on-the-job follow-up to ascertain the impact of training rarely occurs.

The National Training System to be developed under this Project will be directed at remedying these deficiencies. Criteria will be developed for selecting institutions, positions, and individuals to receive training. These criteria will be developed by DNP and applied uniformly throughout the System. An ongoing needs assessment process will be built into the System. Needs assessments will be based on performance evaluations, examination of work flows, identification of organizational barriers to effective performance, conducting exit interviews for those leaving the System, and job analysis. Once the needs have been identified, they will be translated into competency-based learning objectives. Knowledge and ability requirements will subsequently be related to the learning needs.

In order to maximize the impact of the training programs, a modularized and individualized curriculum will be developed, permitting trainees to learn at their own pace and to acquire competencies in the specific areas in which they are deficient. Both trainers and participants will share responsibility for learning; active participant learning will therefore be stressed.

Materials to be used will be diverse (e.g., slides, tapes, films, video, texts, flip charts, games, and role-playing) and will be based on practical, job relevant experiences; courses will frequently involve on-the-job training or field experience. A case study approach and management by objectives will also be emphasized.

Criteria referenced tests will be developed to measure pre and post training skill levels. Trainees will be encouraged to provide feedback on their programs. Follow-up evaluations to measure

impact will be conducted once trainees have returned to their jobs. Evaluation results will be disseminated throughout the System.

In selecting U.S. or third country institutions to provide training for the 20 participants, the following criteria will be used: (1) compatibility with competency-based, individualized, modularized instructional methodology; (2) track record in management training; (3) ability to provide program in Spanish; (4) prior experience with training in Latin America; and (5) use of academic and practical (applied) training.

B. Institutional Analysis

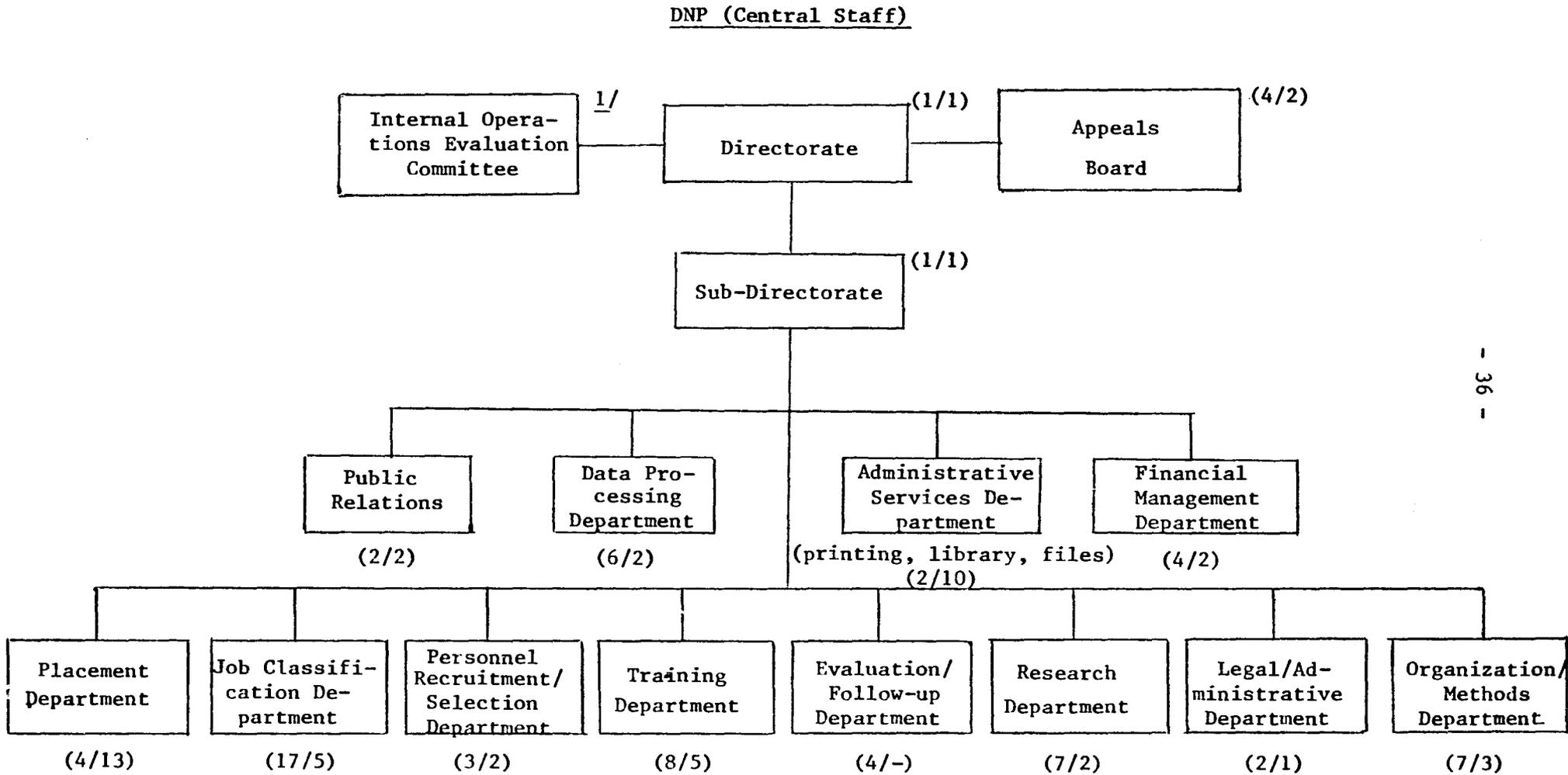
The DNP survey carried out in 1977 provided information on the 23 public sector agencies which constitute the NTS. Most of the agencies (88%) have persons specifically charged with their institutions' training functions. The approximate average number of personnel per unit is eight, of whom four are professionals; in those agencies without specific training units, there are only one or two employees in charge of training activities (mostly consisting of ascertaining the availability of scholarships and placing people within public sector courses being offered). The most frequently identified constraint within the training units has been the lack of qualified instructors. Most of the agencies have either had to train staff as instructors on an ad-hoc basis, usually abroad, or have had to rely on the provision of courses outside their institutions. The training of instructors within the Project will substantially alleviate this problem; additionally, the NTS at the end of the Project will have the capability of training new instructors to meet future needs.

Another institutional deficiency which was singled out by the largest number of institutions was the lack of audiovisual equipment. Overhead, slide, 16 mm, and opaque projectors, screens, flip charts, and tape recorders were the most frequently cited equipment needed. The commodities to be provided under this Project will help meet those needs.

The institutional capacity of the DNP to manage the Project has been examined carefully. The central office of the DNP is organized as indicated in Figure 2. It is presently staffed with 72 professionals and 51 support personnel.

DNP is responsible for personnel administration for the largest of the six public sector personnel systems, as well as for training for all public sector employees. Its primary functions other than training are (1) job classification and placement, (2) personnel evaluation, (3) personnel selection and recruitment,

Figure 2



KEY: (Present number professional/present number support staff)

1/ No permanent staff, made up of Department Heads

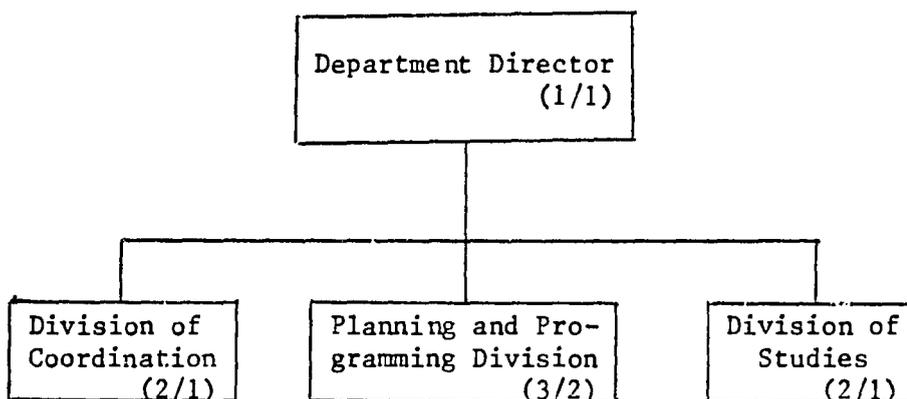
and (4) personnel records management.

Several of the departments within DNP will provide support services to the DNP Training Department during Project implementation. The Financial Management Department will be responsible for administering Project funds. The Department presently manages DNP's annual budget in excess of \$1,370,000. It has had some experience managing other donor funds as a result of the recent UN project. USAID is satisfied that the Department has the ability to properly manage AID funds. Appropriate mechanisms have been discussed with the Department which would assure proper accounting and control of AID funds.

The Training Department of DNP is structured as follows:

Figure 3

DNP Training Department

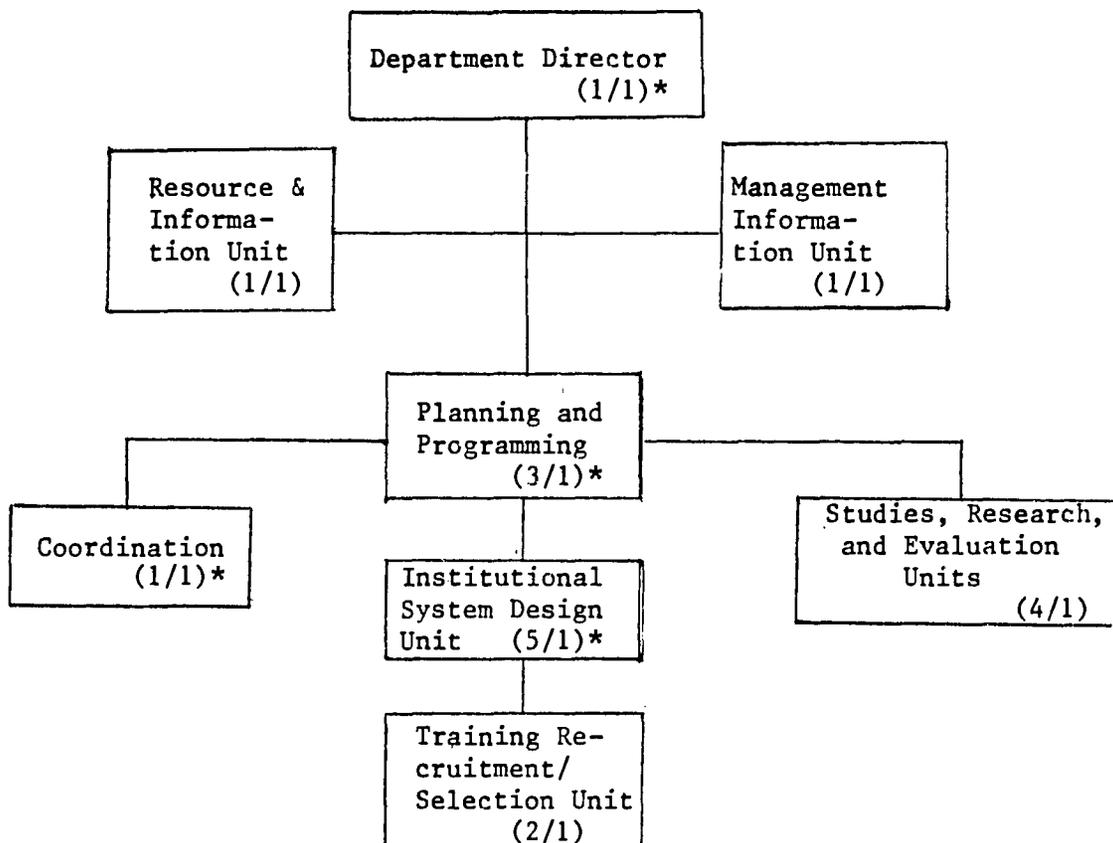


(professional staff/support staff)

Eight professional and five support personnel currently work within the Department. The professional staff will be increased by six in 1980 and four in 1981; support staff will be increased by two in 1980 and one in 1981. The increases in staff and the addition of new units and functions will permit the Training Department to provide support and satisfactory leadership for the Project.

The Department will have the following structure once the Project is underway:

Figure 4



(professional staff/support staff)

* The Director, Coordinator, and Planning and Programming personnel will function together with the Institutional System Design Unit to carry out the functions indicated in Output 3 listed in Section IV.B.

C. Social Analysis

The institutionalization of a viable and operational NTS is designed to develop a cadre of GOE public sector personnel responsible for development projects which impact on the rural and urban poor. The training to be provided to GOE managers and administrators must address three critical issues which affect the social feasibility of the Project. These issues are: (1) the traditional inability of the public sector to relate effectively to the poor; (2) the centralization and top-down orientation within the public sector, which results in a lack of participation of the poor and of public sector employees who are in closest contact with the poor in the decision-making development process; and (3) the lack of economic and other incentives to retain within the public sector competent professionals committed to national development goals.

- (1) The public sector's ability to deliver resources and services to the poor is constrained by a traditional inability of public sector employees to relate effectively to the poor. This is largely due to the urban, middle class background of most public sector employees and the limited contact they have with the poor. The training to be provided under the Project will address this problem in several ways. One of the specific competencies to be taught is how to relate to client groups. This will involve role-playing, field work in marginal urban and rural areas, and on-the-job experience in which the trainee will be provided feedback on his/her interaction with development project beneficiaries. Training will also be designed to develop within the public administration appropriate attitudes and sensitivity toward the problems of the poor. Since evaluation of training programs will include follow-up of on-the-job performance, managers/administrators will continue to receive feedback in this area even after they have terminated their formal training.
- (2) The GOE decision-making process is highly centralized, with a top-down orientation which does not provide sufficient mechanisms to integrate inputs from the grass-roots level in the decision-making process. Thus, the current ability of the GOE to adequately design projects which respond to the needs and priorities of the poor is impaired. The GOE is carrying out an administrative reform with special attention being given to decentralizing the decision-making process and maximizing the participation of client groups in project planning and implementation. Mechanisms and linkages in its public sector administrative system and a strong cadre of qualified personnel to work are urgently needed by the GOE to carry this out.

A major objective of the Project is to strengthen the planning and organizational capabilities of the public sector, not only at the national level, but at the regional and local levels. To meet this objective, training programs will be carried out to stimulate mid-level managers to formulate their own training goals and objectives. This active participation by the trainee is a positive step toward a viable two-way communications system between division level managers (with line responsibilities for delivering goods and services to the poor) and executive level administrators. It is expected that this practice will have a positive effect on accelerating decentralization of decision-making and responsibility.

In addition, one of the specific activities of the Project is to replicate the Cuenca IIC, a community-based advisory mechanism to identify management needs in development projects at the grass roots level. It is expected that the eventual national replication of this model will accelerate the participation of the poor in the development process throughout the 20 provinces of the country.

- (3) It is estimated that 300 mid and senior level public sector employees left government service for the private sector in 1978. Those who leave are often among the most productive employees, and their loss has a negative impact on development programs. The incentives presently offered by the GOE are not adequate to retain the most highly skilled professionals.

Several aspects of the Project are likely to increase the public sector's ability to retain those individuals. A research study will be conducted to determine and make policy recommendations regarding economic and other incentives which would reduce attrition from the public sector. A study will also be carried out on the development of a career planning system, which also has the potential for increasing public sector retention of qualified professionals. As a result of these two studies, it is anticipated that several measures will be instituted to increase the attractiveness of a career in the public sector. While the GOE's ability to provide direct economic incentives is, and is likely to continue to be, rather limited, other incentives are likely to be employed. The development of a career planning system which offers opportunities for promotion (with appropriate salary increases), career advancement, and periodic training opportunities should have a positive impact on retaining employees. In addition to these measures, the training to be

provided will encourage greater autonomy and increased decision-making authority for mid and senior level public sector managers and administrators. These added responsibilities are likely to provide greater job satisfaction and increase the attractiveness of jobs in the public sector.

The 3,380 public sector managers and administrators to be trained are the immediate Project beneficiaries. The skills they acquire will increase the GOE's ability to effectively design and implement development projects which impact on the poor. This number of direct beneficiaries represents approximately 20% of the total of 19,000 GOE mid and senior level managers and administrators. The NTS will have, at the end of the Project, the necessary infrastructure and human resources to provide the additional training to the remainder of the 19,000.

Approximately 70% of the Project beneficiaries will be from the Provinces of Pichincha (Quito), Guayas (Guayaquil), and Azuay (Cuenca); the remainder will be distributed throughout the rest of the country. The concentration in these three provinces is justified by the fact that major decisions regarding development projects throughout the country are made there. The resolution of bottlenecks at the national level will be an important first step in improving the managerial and administrative effectiveness of the public sector.

The ultimate beneficiaries of this Project are the approximately 4,800,000 Ecuadoreans who fall within the rural and urban poverty populations. While it is impossible at this point to determine with any degree of precision the percentage of the target population who will benefit from improved administration and management of development projects, preliminary estimates made by DNP indicate that between 10 and 20% of the 4,800,000 rural and urban poor will benefit from the Project.

Women constitute approximately one fifth of the overall labor force within Ecuador. This probably understates their participation since most rural women and many women within the urban poor perform significant economic roles and yet are not considered part of the economically active population. One third of the public sector employees are female. They are largely concentrated in clerical jobs and constitute between 10 to 15% of the 19,000 mid and senior level managers and administrators.

The GOE Programming Guidelines call for equal rights for women in education and occupation, and equal pay for equal work. They also refer to the need for specific government programs to address existing male-female inequalities. Another sign of the

GOE commitment to improving the status of women has been the naming of women to key positions within the Government. For the first time in Ecuadorean history, women have been appointed to ministerial and subsecretarial positions. A significant number of women have been appointed to other key posts within the new Government.

Within DNP's Training Unit one of the three managerial positions is held by a woman. In GCDA one of the eight advisors is female. Two of the three GOE professionals who worked on the design of the Project were female. A clear commitment exists within the GOE, and specifically within DNP, to improve the status of women within the public sector.

In the past USAID training efforts in public administration, women constituted less than 6% of trainees. A tentative target has been set to provide females 20 to 25% of training to be offered under this Project. In addition to training programs, the two studies on incentives and career planning will contain specific recommendations on training, development, and advancement of women managers and administrators within the public sector.

D. Economic Analysis

It is generally agreed that investment in human capital generates economic and other benefits, both for the individual and for society. Investments in various levels of schooling have been demonstrated to yield attractive rates of return, using future income as the main measure of benefits.

Most studies of the types of training such as to be provided in this Project have had difficulty in quantifying the economic benefits of such training. It is even more difficult, if not impossible to quantify the benefits of the proposed Project prior to its completion. There is, however, sufficient evidence to indicate the nature of the benefits and that Project activities are cost effective.

At present, a significant share of GOE training resources are spent on programs for public sector personnel either overseas or in private in-country training institutions. The cost of overseas training is often as high as ten times the cost of in-country programs; training offered by private in-country institutions can be two to three times the cost of public sector programs. Since the Project is designed to increase and maximize public sector in-house training capacity, it is expected that GOE reliance on the more costly overseas and private in-country programs will decline, thus leading to lower costs per trainee.

Another benefit relates to the overall costs of operating the NTS. The System--as it presently operates--is inefficient. Human and physical resources (particularly training equipment) are not utilized in the most effective manner. Training materials are produced in response to individual institutional needs, and consequently excessive amounts of resources may be used to produce similar materials; similar courses are often given by different agencies. Training programs within individual institutions may be offered in spite of insufficient numbers of trainees to justify such programs. The implementation of the NTS should contribute to more efficient use of GOE training resources through (1) centralization of materials production capability, (2) centralization and dissemination of information on course offerings, (3) access to more pedagogically appropriate material, and (4) application of ongoing needs assessment and evaluation processes.

Changes in training methodologies and techniques should increase the skills of those trained and lead to better job performance. The ultimate measure of this will be felt in improved implementation of development projects. A related benefit will be obtained to the extent that the number of professionals who leave the public sector is reduced. This will substantially lower the cost per trainee.

A final benefit, perhaps the most difficult to estimate but nonetheless important, relates to the effects of interinstitutional coordination. The traditional lack of coordination between the various GOE agencies engaged in development programs leads to an inefficient utilization of resources. Evidence available to date on the IIC in Cuenca indicates potentially significant benefits may accrue as a result of increased interinstitutional coordination.

E. Financial Analysis

AID inputs are detailed in Section IV. In summary, they are:

<u>Technical Assistance</u>		<u>\$ 670,000</u>
U.S./third country long-term	\$450,000	
U.S./third country short-term	168,000	
Ecuadorean long-term	52,000	
<u>Equipment and Materials</u>		<u>\$ 249,700</u>
<u>Training</u>		<u>\$ 140,000</u>
U.S./third country	90,000	
In-country	50,000	
<u>Contingencies</u>		<u>\$ 70,000</u>
<u>Inflation</u>		<u>\$ 170,300</u>
	TOTAL	<u>\$1,300,000</u>

AID funds will be obligated by FY as follows:

FY 1980	\$ 130,000
FY 1981	400,000
FY 1982	450,000
FY 1983	<u>320,000</u>
TOTAL	\$1,300,000

Estimated obligations by FY by category are as indicated in Table 1.

TABLE 1

SUMMARY ESTIMATED COSTS OF AID INPUTS BY FY

<u>Input</u>	<u>Fiscal Year</u>				<u>Total</u>
	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	
Technical Assistance	70,000	250,000	250,000	100,000	670,000
Equipment and Materials	23,000	38,000	71,000	117,700	249,700
Training	10,000	45,000	50,000	35,000	140,000
Contingencies	10,000	15,000	20,000	25,000	70,000
Inflation	<u>17,000</u>	<u>52,000</u>	<u>59,000</u>	<u>42,300</u>	<u>170,300</u>
Total	130,000	400,000	450,000	320,000	1,300,000

It is expected that approximately \$40,000 of the equipment and materials will be purchased in Ecuador, with the remainder coming from U.S. or other sources. The breakdown between foreign and local currency needs in the technical assistance and training categories is shown below. Dividing the contingency and inflation factors proportionally, Project foreign and local currency needs will be as follows:

	<u>Foreign Currency</u>	<u>Local Currency</u>
Technical Assistance	\$ 618,000	\$ 52,000
Equipment/Materials	180,000	69,700
Training	90,000	50,000
Contingencies	59,000	11,000
Inflation	<u>143,000</u>	<u>27,300</u>
	\$1,090,000	\$210,000

It is anticipated that some of the technical assistance and training will be obtained from third country sources. Likewise, a small amount of the equipment and materials may have to be obtained from third countries. In these cases, waivers will be requested for Code 941 source and origin procurement.

AID funds will be disbursed to the DNP to reimburse for such local expenditures as in-country training and locally purchased materials. As much as possible, host country contracting will be used for obtaining technical assistance services and for procuring equipment from U.S. or other overseas sources. Payment will either be reimbursed to the DNP by AID or will be paid directly by AID to the suppliers by means of letters of credit or other procedures normally used by AID.

GOE counterpart inputs are also detailed in Section IV. In summary they are:

Personnel	\$4,273,680
Facilities	66,666
Training	<u>1,247,000</u>
Total	\$5,587,346

They are broken down by FY in Table 2.

TABLE 2

SUMMARY ESTIMATED COSTS OF GOE INPUTS BY FY

<u>Input</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>Total</u>
Personnel	688,063	1,085,514	1,123,978	1,376,125	4,273,680
Facilities	9,255	22,222	22,222	12,967	66,666
Training	<u>70,000</u>	<u>300,000</u>	<u>410,000</u>	<u>467,000</u>	<u>1,247,000</u>
Total	767,318	1,407,736	1,556,200	1,856,092	5,587,346

The recurring costs to the DNP of the NTS in fixed 1980 dollars is estimated to be \$543,040. These are the costs for the 18 DNP people to be assigned to the NTS, for facilities, and for certain DNP training expenses. Of this, an estimated \$135,298 will be costs not in DNP's budget prior to the start of the Project, principally the costs of adding 10 professionals and three support personnel to its staff. Given the high level of priority assigned to the NTS by the GOE, it is expected that these funds will be entered into DNP's budget.

VI. PROJECT IMPLEMENTATION ARRANGEMENTS

A. Project Responsibilities and Arrangements

USAID/Ecuador - USAID will monitor the Project, relying extensively on the DNP and on the Project consulting firm (see below) for regular information on Project progress. The consulting firm will assist the GOE in identifying appropriate technical candidates and in identifying appropriate U.S. and third country training sites. (The Third Country Training Guide being prepared as a part of the LAC Regional Training for Development Project (598-0588) is expected to be useful for this purpose.) The consulting firm will also assist DNP procure all offshore equipment, make the necessary arrangements for U.S. and/or third country training, and provide logistical support to the long and short-term U.S. and third country technical experts. USAID will monitor Project progress, prepare quarterly reports, and participate in all Project evaluations in close consultation with DNP and its consulting firm.

AID/W - LAC/DR/HR will provide technical backstopping for the Project. This will primarily consist of identification of appropriate sources of TA and training. Given that USAID does not have a Human Resources Development Officer, LAC/DR will assist the Project in conducting the annual evaluations.

GOE - The DNP Training Department will be the GOE implementing agency and will have the major GOE Project responsibilities. The DNP will be responsible for: (1) meeting conditions precedent; (2) working with long-term experts and GOE institutions belonging to the NTS to carry out basic and ongoing Project planning; (3) coordinating the Project with the assistance of the long-term technicians; (4) contracting with a consulting firm for long and short-term technical assistance and providing logistical support to the contractors; (5) implementing the training and research programs with the assistance of NTS participating agencies and long and short-term experts; (6) monitoring Project progress and preparing necessary reports; and (7) playing a key role in Project evaluation.

Contracting Arrangements - Because of USAID's small staff, the DNP's inexperience in contracting foreign technical assistance, and the large amount of TA proposal in the Project, USAID and DNP tentatively plan to contract with one institution to supply all or almost all the TA required. A request for proposal will be made to firms, universities, and PVOs with experience in carrying out management training projects of the type proposed herein. If a satisfactory institution can be contracted, it will be expected to take on much of the responsibility for identifying and contracting TA, providing logistic support, and carrying out Project implementation.

Figure 5 details the distribution of major Project responsibilities:

Figure 5

Division of Responsibilities for Project
Implementation

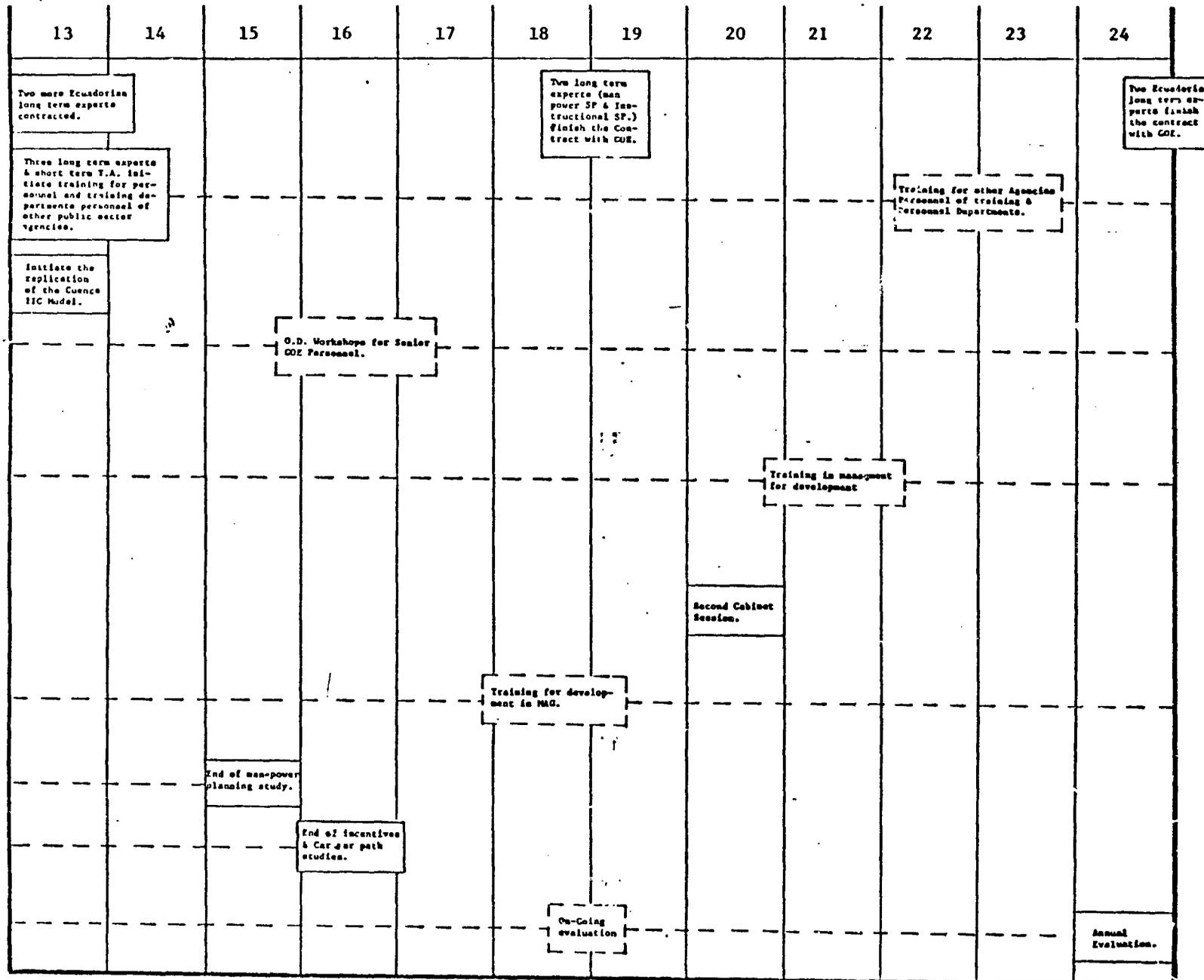
Project Components	USAID/ Ecuador	AID/W	LT TA	ST TA	DNP	GCDA	MAG	Other Min.	Other Pub. sector ag. (inc. IICs)
1. Meet Conditions Precedent					X				
2. Project Planning			X		X		X	X	X
3. Project Coordination			X		X				
4. Procure T.A., Equip- ment, U.S. & T.C. Training	X	X	X		X				
5. Logistic Support TA	X		X		X				
6. Implementation Training and Research Programs			X	X	X		X	X	X
7. Project Reporting and Monitoring	X		X	X	X		X	X	X
8. Evaluation	X	X	X		X	X	X		

B. Project Implementation Plan

The Project Implementation Plan is represented graphically in Figure 6.

Figure 6

PROJECT IMPLEMENTATION PLAN Cont.



Project implementation is divided into three basic phases. These are:

Phase I - Project Planning, months 1 to 6. During this period a detailed work plan for the first year of Project activities and for the life of Project will be developed by DNP, working with the long-term technical advisors. Base line data for project evaluation will be collected, and training equipment will be procured. A Management Information System and an Internal Procedures Manual will be developed.

Phase II - Development of NTS Capability, months 7 to 10. This phase will make the NTS operational. The most important activities to be carried out are: (1) short-term overseas training for 20 NTS staff; (2) training for NTS (DNP and other agency) staff in needs assessment, instructional systems design, teaching methods and techniques, research, information management, and evaluations; (3) establishment of DNP functional units; (4) production of training curricula and course materials; and (5) initiation of the delivery of organizational development workshops for GOE senior personnel (e.g., sub-secretaries, general directors).

Phase III - month 11 through completion of Project. The third and final phase of the Project starts in month 11 and ends with the completion of the Project. The major activities of this 26-month period are: (1) provision of training for 3,380 GOE public sector administrators and managers; (2) carrying out of research studies; (3) developing and testing of the MAG model (training 2% of MAG personnel); (4) creation of eight additional IICs; (5) training of personnel department and training department personnel of other agencies; (6) orientation of ministers and other cabinet members on NTS; and (7) carrying out both ongoing evaluations of NTS and three project evaluations (including the end of Project evaluation).

The following chart lists the month of initiation and a brief description of key project events:

KEY EVENTS

<u>Month of Initiation</u>	<u>Action</u>
1	<ul style="list-style-type: none">- Long-term experts contracted and arrive in Ecuador.- GOE begins to provide logistical support for long-term experts.- GOE designates counterparts for long-term experts and assigns staff to operate NTS.

- Orientation of Project Staff (two weeks).
 - NTS Central Staff contracts two Ecuadorean public administration specialists to assist in the delivery of current training sponsored by DNP (two years).
- 2
- Three long-term experts design the curricula for training the NTS staff (one month).
 - NTS Central Staff and three long-term experts develop criteria of U.S. and third country short-term training, and criteria to select participants and courses (one month).
- 3
- NTS Central Staff and three long-term experts develop long-range and short-term planning and programming for life of Project (four months).
 - NTS Central Staff and three long-term experts design and develop the Management Information System for NTS (two months).
- 4
- NTS Central Staff and three long-term experts design evaluation instruments (two months).
 - Initiate short-term training abroad (these activities will take place through month 18).
- 5
- NTS Central Staff contracts Ecuadorean short-term technical assistance for development of promotional campaign materials (two months).
 - NTS Central Staff and three long-term experts design and develop NTS Internal Procedures Manual (two months).
 - NTS Central Staff and one long-term expert collect base line data for evaluation (one month).
 - Purchase necessary equipment and supplies (greatest portion during this month, intermitently thereafter).
- 6
- NTS Central Staff and three long-term experts analyze and interpret results of the evaluation instruments and provide feedback and recommendations to NTS and operating agencies (one and one-half months).
- 7
- Three long-term experts and several short-term technical assistance experts train NTS Central Staff in

public administration and instructional systems design and development (one and one-half months).

- NTS Central Staff contracts short-term experts to design organizational development (O.D.) workshops for subsecretaries, general directors, and executive directors (two months).
- NTS Central Staff develops criteria for utilizing Ecuadorean training institutions and courses, and develops criteria for selection and recruitment of participants to receive NTS training (two months).
- NTS Central Staff and three long-term experts carry out ongoing evaluation (during life of Project).
- 8 - Three long-term experts and several short-term technical assistance experts train NTS Central Staff in research, needs assessment, evaluation, and conducting special studies (one and one-half months).
- 9 - NTS Central Staff and three long-term experts establish NTS functional units (one month).
- NTS Central Staff and short-term technical assistance experts initiate organizational development workshops for subsecretaries, general directors, and executive directors (intermittent actions through month 30).
- NTS Central Staff and GCDA design and develop sessions for GOE cabinet ministers to orient them in NTS (one month).
- 10 - Three long-term experts with short-term technical assistance train NTS Central Staff in consulting and assessing the NTS training process (one month).
- NTS Central Staff and one long-term expert initiate Manpower Planning Study (six months).
- 11 - NTS Central Staff and three long-term experts design and develop handbook for organizing and carrying out roles and functions of Interinstitutional Committees (IICs) (one month).
- NTS Central Staff and other public sector training institutions initiate training for ministries other than MAG in management for development for selected managers/chiefs of division (on-going through month 35).

- NTS Central Staff and one long-term expert initiate surveys on incentives and career paths for the public sector (six months).
- 12
- NTS Central Staff and short-term technical assistance experts train DNP regional staff in public administration and orient the staff in the roles and functions of IIC (two weeks).
 - The first cabinet level seminar organized by NTS Central Staff and sponsored by GCDA, with the assistance of two high powered experts, takes place (one day).
 - NTS Central Staff and one long-term expert, in conjunction with MAG's training department personnel, initiate the design, development, and implementation of the MAG training effort (on-going through month 32).
 - Annual evaluation conducted by NTS Central Staff, three long-term experts, GCDA, USAID, and AID/W (one month).
- 13
- Three long-term experts and several short-term technical assistance experts initiate training for training and personnel department personnel of other public sector agencies. The training will be in NTS orientation, manpower development, public administration, the training process, and applied research (intermittent actions through month 32).
 - NTS Central Staff and short-term technical assistance experts initiate the replication of the Cuenca IIC model in other regions (on-going through month 36).
 - NTS Central Staff contracts two more Ecuadorean long-term public development administration specialists to assist in delivery of the training (one year).
- 15
- End of Manpower Planning Study.
- 16
- End of studies on incentives and career paths for public administration personnel.
- 18
- Two long-term experts, a manpower personnel specialist, and an instructional development specialist finish their assistance to the NTS Central Staff.

- 20 - Second cabinet level seminar sponsored by GCDA, conducted with the assistance of two high powered experts (one day).
- 24 - Two Ecuadorean long-term public development administration specialists finish their assistance to the NTS Central Staff.
 - Annual evaluation carried out by NTS Central Staff, one long-term expert, GCDA, USAID, and AID/W (one month).
 - During the second year, NTS will continue to deliver training for development to senior level personnel and managers of MAG and other GOE agencies, and also to training department personnel.
- 30 - Third and last cabinet level seminar sponsored by GCDA, conducted with the assistance of two high powered experts (one day).
- 32 - End of training for development in MAG under this Project.
 - End of O.D. workshops for subsecretaries, general directors, and executive directors under this Project
- 33 - End of training for personnel and training department staff under this Project.
- 35 - End of training in management for development in other GOE agencies under this Project.
- 36 - The public administration long-term expert finishes his/her assistance to the NTS Central Staff.
 - The two Ecuadorean long-term public development administration specialists finish their assistance to the NTS Central Staff.
 - Final evaluation of the Project by the NTS Central Staff, GCDA, USAID, and AID/W (two months).

C. Evaluation Plan

Project evaluation using the PES format will be conducted annually, starting in April, 1981. DNP, GCDA, USAID/E, AID/W, and long-term technical assistance experts will be the major participants in the evaluations. These evaluations will assess Project progress and

make recommendations for remedial action where deficiencies are found. The first evaluation will focus on the institutional building process within the NTS. The second and final evaluations will examine progress in achieving an operational NTS, emphasizing relevant Project outputs and likely attainment of the End of Project Status.

These evaluations will be related to the ongoing evaluation process established within the NTS. Critical elements of the Project to be evaluated are:

- (1) The adequacy of interinstitutional coordination and frequency of institutional contacts;
- (2) The effectiveness of training NTS staff to operate the System, quality of in-country and overseas training programs, quality of course materials, and level of competencies obtained;
- (3) The effectiveness of NTS training programs - skills acquired, changes in job performance, and analysis of MAG model;
- (4) The impact on development programs (the ultimate measure of the Project's success); and
- (5) The prospects for providing additional training.

Information for carrying out the evaluation will be provided from (1) Project records and reports; (2) training materials; and (3) interviews with Project personnel (NTS staff, trainees, technical assistance advisors), senior level GOE officials, development project beneficiaries, and USAID officials. Specific evaluation instruments will be developed to elicit the necessary information. Annex 7 provides a list of preliminary questions which will form the basis for developing evaluation instruments.

D. Negotiating Status, Conditions Precedent, and Covenant

The Project has been developed in response to a GOE initiative, and the design reflects inputs from several GOE agencies. Extensive and frequent discussions have been held with DNP (to be the GOE implementing agency) and with GCDA. Additional meetings have involved national, regional, and provincial level organizations. At the national level, the Ministries of Agriculture, Health, and Labor, and public agencies such as the National Housing Bank have indicated their support for the NTS and for the type of administrative/managerial program to be offered. A meeting was held with the IIC in Cuenca to ascertain public administration needs at the provincial and local levels. The Project design reflects public

administration needs at all levels. No outstanding issues remain to be negotiated.

The following conditions precedent to disbursement of funds other than for long-term technical assistance, will be included in the Project Agreement:

- (1) DNP will show that a National Training Policy has been approved by the GOE.
- (2) DNP will present AID with a detailed Project implementation plan and a detailed personnel use plan.
- (3) DNP will demonstrate that it has sufficient budgetary and other resources to carry out the Project implementation plan.

The GOE will also covenant in the Project Agreement that it will maintain the National Training System to be developed under the Project.

ANNEX 1PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORKAID 11-20 20 11-731
SUPPLEMENT 1Life of Project:
From FY 1980 to FY 1983
Total U. S. Funding \$1,300,000
Date Prepared: January 10, 1980Project Title & Number: Ecuador: Training for Development, 518-0017

PAGE 1

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes: (A-1)</p>	<p>Measures of Goal Achievement: (A-2)</p>	<p>(A-3)</p>	<p>Assumptions for achieving goal targets: (A-4)</p>
<p>To improve the quality and capability of Ecuadorean public administrators in designing and managing development projects to benefit the poor.</p>	<p>1. More and better development projects impacting on marginal/rural and urban populations throughout the country.</p> <p>2. GOE achieves main targets set forth in its 5-year National Development Plan, especially in the agriculture, health, education, and housing</p>	<p>GOE reports, records, and evaluations.</p>	<p>1. There is continued GOE commitment to the "Twenty-One Programming Guidelines" and the new five-year National Development Plan.</p> <p>2. GOE continues to receive assistance from bilateral and multilateral institutions.</p> <p>3. GOE continues to invest a significant level of its revenues in development activities.</p>

AID 1979-20 (11-72)
SUPPLEMENT 1

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: From FY 1980 to FY 1983
Total U.S. Funding \$1,300,000
Date Prepared January 10, 1980

Project Title & Number: Ecuador: Training for Development, 518-0017

PAGE 2

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Purpose: (B-1)</p> <p>To institutionalize within the GOE a viable and operational National Training System (NTS) for the public sector.</p>	<p>Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2)</p> <ol style="list-style-type: none"> 1. NTS staff of 460, from DNP and from training and personnel offices of GOE ministries and agencies, trained and in place. 2. GOE making ongoing and incremental budget allocations to DNP and other agencies to operate NTS. 3. Ministry of Agriculture (MAG) training model in place with a minimum of 240 persons trained and model in use within MAG for ongoing training programs. 4. A minimum of 3,380 managers and administrators from ministries and other agencies trained by NTS in public administration. 5. NTS performing the following functions in addition to training: assessing needs, evaluating effectiveness of training programs, and conducting research. 	<p>(B-3)</p> <ol style="list-style-type: none"> 1. DNP and other GOE agency personnel files. 2. DNP and other GOE agency budget and financial records. 3. Records, reports, and manuals of DNP and MAG. 4. Records and reports of DNP and other agencies. 5. Site observations of DNP and other agencies. 	<p>Assumptions for achieving purpose: (B-4)</p> <ol style="list-style-type: none"> 1. Personnel trained to manage the NTS will remain in the public sector. 2. The GOE will continue to provide political support to the NTS. 3. GOE participating agencies will collaborate with each other within the NTS.

AID 1020-10 (1-79)
SUPPLEMENT 1

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: 1980 to 1983
From FY 1980 to FY 1983
Total U.S. Funding \$1,300,000
Date Prepared: January 10, 1980

Project Title & Number: Ecuador: Training for Development, 518-0017

PAGE 2

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Purpose: (B-1)</p>	<p>Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2)</p> <p>6. Plans developed by the DNP and participating agencies to provide training to additional GOE managers and administrators and to apply the MAG model to other agencies.</p> <p>7. Plans to increase NTS staff developed.</p>	<p>(B-3)</p>	<p>Assumptions for achieving purpose: (B-4)</p>

AID 1020-28 (1-77)
SUPPLEMENT 1PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORKLife of Project:
From FY 1980 to FY 1983
Total U.S. Funding \$1,300,000
Date Prepared: January 10, 1980

Project Title & Number: Ecuador: Training for Development, 518-0017

PAGE 3

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS				MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Outputs: (C-1)	Magnitude of Outputs: (C-2)				(C-3)	Assumptions for achieving outputs: (C-4)
	1980	1981	1982	Total		
1. Internal Procedures Manual developed by DNP for NTS.	1	-	-	1	Each of the outputs will be verified by means of NTS records and reports and on-site observations by USAID personnel.	1. Congressional approval of DNP and other agency training budgets is obtained.
2. Management Information System unit for NTS established within DNP.	1	-	-	1		2. Qualified technical assistance is available.
3. Institutional System Design Unit for NTS established within DNP.	1	-	-	1		3. Commodities arrive in a timely fashion.
4. Personnel selections and recruitment unit established for NTS within DNP.	1	-	-	1		4. Qualified U.S. and/or third country institutions provide training on schedule.
5. Evaluation Unit for NTS established within DNP.	1	-	-	1		
6. Research Unit with needs assessment capability established for NTS within DNP.	1	-	-	1		
7. Resource and Information Unit established for NTS within DNP.	1	-	-	1		
8. Institutional linkages established between GOE agencies participating in NTS.	X	X	X	X		

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

AND 1020-24 (11-79)
SUPPLEMENT 1

Project Title & Number: Ecuador: Training for Development, 518-0017

From FY 1980 to FY 1983
Total U.S. Funding \$1,300,000
Date Prepared January 10, 1980

PAGE 3

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS				MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Outputs: (C-1)	Magnitude of Outputs: (C-2)				(C-3)	Assumptions for achieving outputs: (C-4)
	1980	1981	1982	Total		
9. NTS personnel including instructors from DNP and other agencies trained in public administration.	80	140	32	252		
10. Provincial/Regional Inter-institutional Committees (IIC's) established within NTS.	1	4	3	8		
11. IIC personnel trained in public administration.	20	40	20	80		
12. Curricula and course materials produced for training public sector personnel.	30	40	10	80		

AID 1980-20 10-100
SUPPLEMENT 1PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Ecuador: Training for Development, 518-0017

Life of Project:
From FY 1980 to FY 1983
Total U.S. Funding \$1,300,000
Date Prepared: January 10, 1980

PAGE

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS		MEANS OF VERIFICATION			IMPORTANT ASSUMPTIONS
Project Inputs: (D-1)	Implementation Target (Type and Quantity) (D-2)		(D-3)			Assumptions for providing inputs: (D-4)
	<u>MAGNITUDE OF INPUTS</u>					
<u>Nature of Inputs</u>	<u>FY-80</u>	<u>FY-81</u>	<u>FY-82</u>	<u>FY-83</u>	<u>Total</u>	
1. <u>AID</u>						
a. Technical Assistance	70,000	250,000	250,000	100,000	670,000	GOE
b. Equipment and Materials	23,000	38,000	71,000	117,700	249,700	and
c. Training	10,000	45,000	50,000	35,000	140,000	NTS
d. Contingencies	10,000	15,000	20,000	25,000	70,000	re-
e. Inflation	17,000	52,000	59,000	42,300	170,300	cords
Total	130,000	400,000	450,000	320,000	1,300,000	
2. <u>GOE</u>						
a. Personnel	688,063	1,085,514	1,123,978	1,376,125	4,273,680	
b. Facilities	9,255	22,222	22,222	12,967	66,666	
c. Training	70,000	300,000	410,000	467,000	1,247,000	
Total	767,318	1,407,736	1,556,200	1,856,092	5,587,346	

ANNEX 2

Draft of the National Training Policy

(Informal translation)

I. INTRODUCTION

There is no system which can be considered superior to the man or woman in charge of its direction or representation. Whatever is done to develop the ability and knowledge of a person will consequently improve the productivity of his/her work related to the production of goods, services, laws, and regulations and will increase his/her capacity to perform a better service for the community.

This principle is applicable to government administration; the grade of efficiency and the performance possibilities to reach the Government's objectives depend, therefore, on the training level of the employee in charge of accomplishing them.

The Civil Service and Administrative Career Law, Chapter V - Training, states the following:

Art. 104 - Training Programs. It is a Government obligation to obtain the improvement of public sector employees' performance through the implementation and development of training programs.

Art. 105 - Planning and training guidance. The National Bureau of Personnel (DNP) will plan and control the training of public sector employees. Therefore, the development of a continuous system aimed at establishing and improving the potentiality, effectiveness, performance, productivity, and criteria of the employees of the Government agencies should be considered as one of the basic elements of the Government's policy. Therefore, it is imperative to establish a national system of training and proficiency designed to satisfy current needs and those foreseen in the short and long term, taking into account new requirements and the advance of science and technology. In this way, production enhancement of public sector employees, organizational development, and public sector advancement and accomplishment can be assured.

With this background, the present program has been designed to carry out training for public sector employees in accordance with national Government policies. We expect that the program will contribute to

the promotion and improvement of training in line with the objectives of the country's growth, administrative development, and public sector employees' personal advancements.

II. CONCEPT AND GENERAL OBJECTIVES OF THE TRAINING

This document considers the training of public sector employees as a systematic and permanent process, oriented to the acquisition and actualization of knowledge, development of skills, and changes of attitudes and behavior intended to obtain better efficiency in order to reach the institution's objectives and personal self-accomplishment; and to bring to the attention of public sector employees the importance of the roll of training and that of the public administration in the national development.

The major objectives are:

1. Provide and up-date public sector employees' knowledge, improve their skills, orient their interest and attitudes towards better performance in their work, and develop aptitudes required for future responsibilities with a higher degree of complexity.
2. Reach at an institutional level understanding and self-analysis of each institution's own performance.
3. Prepare the specialized administrative, technical, and executive manpower required by the country, to reach the objectives of the Government.

III. OBJECTIVES OF THE NATIONAL TRAINING SYSTEM

1. Use training as one of the mechanisms utilized toward the accomplishment of the policies and strategies of country's development.
2. Strengthen the development of training units or centers with the purpose of obtaining highly qualified public sector employees for the performance of their duties.
3. Encourage and establish the coordination of training within the different Government agencies, so that the manpower training will be channelled through specific objectives.
4. Facilitate and encourage administrative careers, giving credit to the training in the process of selecting and promoting personnel.

IV. ORGANIZATION AND ACTIVITIES OF THE NATIONAL TRAINING SYSTEM

Centralization of the rules and decentralization of the operation will be the basis of the National Training System for public sector employees, which will be made up of the following elements:

1. The Central Unit: the DNP (Civil Service and Administrative Career Law, Article 105).
 2. Primarily decentralized training units for public sector employees.
 3. Inter-institutional Training Committees in provincial areas.
1. The DNP will act as coordinator of the System, with the following assignments:
 - a. Determine, complement, and modify general training policies and rules.
 - b. Direct and coordinate training plans, according to the policies of the different public institutions, to guarantee the fulfillment of present and future needs.
 - c. Evaluate the results of training plans and programs which have been approved, make necessary adjustments if needed, and give advice for the periodic evaluation of such plans and programs.
 - d. Coordinate and promote cooperation among the training units, so as to obtain a better use of the resources assigned to training public sector employees.
 - e. Promote and execute research concerning training and its results, as well as the development of legal, technical, and other instruments that could be used in the accomplishment of this activity.
 - f. Execute directly or promote the execution of training programs in administrative techniques for public sector employees of middle, high, and technical-advisory levels.
 - g. Promote training activities in public institutions, appropriate for the necessities of technical, auxiliary, and operating levels.
 - h. Maintain up-to-date information concerning training centers, instructors, finances, and material resources - public or private, national or international, which could be useful for the public employee training programs.

- i. Give advice on the creation of training units and on the improvement of the performance of existing units, as well as on the elimination of idle units.
 - j. Keep continuous contact with Ecuadorean universities and other institutions of higher education in order to furnish them information and obtain mutual cooperation.
 - k. Systematize the training process to permit the unification of methods and procedures criteria.
 - l. Execute and/or promote the training of instructors.
 - m. Participate in the preparation of the training budget and control its correct application.
 - n. Take the necessary steps to obtain national or international financing for training programs.
2. Training units in public and autonomous institutions. The specific training will be planned and executed in accordance with the goals, objectives, plans, and working programs of each institution.

In compliance with the above, the training units will have the following assignments:

- a. Investigate the personnel training needs of each institution.
- b. Plan and program the specific training for each institution in accordance with present and future needs.
- c. Participate in the selection of candidates for the different training programs and insure their regular attendance.
- d. Coordinate with other training units the adequate use of available resources.
- e. Evaluate the results of the training given in or out of the institution, and assure the participation in the evaluations of the heads of the industrial relations department of each institution.
- f. Assure the institution's participation in the training activities organized by the DNP and by other units with the training system.
- g. Prepare an annual report for the DNP concerning all activities performed and programs forecasted for the following year.

- h. Prepare and support the budget of the unit to assure the financing of the training plans and programs that the units perform directly or indirectly.

3. Inter-institutional Training Committees in the provinces.

These committees will be formed by the top executives of the public institutions in the provinces and/or regions or by their delegates, plus by the heads of the training units in the province or region. The DNP provincial representative will act as permanent Executive Secretary of each committee, subject to the rules and policies given by the central unit. The activities of the Inter-institutional Training Committees will be ruled by corresponding regulations.

The basic assignments of these Committees are the following:

- a. Promote the training of the public sector employees in the provinces, in coordination with the DNP.
- b. Give full cooperation to DNP training units and to those of public institutions in the provinces, in carrying out investigation of training needs, planning, programming, execution, evaluation, and follow-up.
- c. Take the necessary steps to obtain the required resources for training programs for the public sector employees in the provinces.

V. RIGHTS AND OBLIGATIONS OF PUBLIC SECTOR EMPLOYEES RELATED TO THEIR TRAINING

Training is a basic requirement for all personnel working for any institution, regardless of their duties or authority levels. Nevertheless, the limitation of available resources requires that training programs be directed to the institutions that the Government determines as part of prioritizing sectors and levels in the development of organizational, institutional, and national objectives.

Special attention should be given to training programs designed for high, middle, and technical-advisory levels of the public administration, without neglecting training programs for auxiliary and operating levels. It is important to direct attention toward management development of higher level employees and to reach an equity between specialized technical knowledge and administrative principles and techniques.

In compliance with the contents of the Civil Service and Administrative Career Law, public employees have the following rights and obligations related to their training:

- a. To be trained to better perform their current assignments.
- b. To be prepared for positions with higher responsibilities, complexity, and compensation.
- c. During the process of selection for training programs, each employee's performance appraisal, aptitudes, knowledge, and experience should be considered in accordance with the objectives and needs of the institution where he/she is employed.
- d. Leave of absence with pay should be granted to allow a regular and normal attendance at training programs.
- e. In accordance with the requirements, they will be maintained in their assignments or considered for promotion.
- f. The public sector employees selected for training programs should attend regularly, be interested in all phases of the program, accomplish the assigned duties, undergo tests and evaluations, and comply with the requirements of the corresponding regulations.
- g. The trained public employees will be bound to render services in the institution for a minimum period equal to twice the time spent in the training, to a maximum of three years.

VI. TRAINING RESOURCES

Considering that human resources are the key to success in all activities, particularly training, public entities will give special attention to the recruiting, selection, and professionalization of the instructors and all the personnel working in the training units.

The public institutions must have a specific budget for training prepared by the corresponding unit, in accordance with known needs and general policies. The top executives of each institution together with the training heads are responsible for the correct and optimum use of the resources assigned to the units and for seeing that the units count with the required technical and material resources for the performance of their duties.

VII. GENERAL ADMINISTRATIVE ASPECTS OF THE TRAINING

Training should not be considered as a formal activity separate from administrative work, but should be considered an important phase of the administrative process and of human resources development; there-

fore it is a responsibility that should be shared by all public administrative levels.

In all areas and levels of public administration, training should be planned and executed in accordance with the goals and objectives of each institution. This will require a permanent effort to orient the programs toward particular requirements and toward improvement through evaluations and follow-up methods.

The training plans and programs will be developed in various areas of the country, considering the development priorities.

In training programs developed with international agencies, applicable legal regulations should be observed including those established in the corresponding agreement. Regulations should take into account the basic criteria of the different units to be able to program, execute, evaluate, and follow the training activities, as well as the use of the most adequate methods to assist in the attainment of each program's objectives.

The DNP will make the necessary studies and will implement the required measures in order to consider the training in the context of the administrative careers of public sector employees.

The institutions in charge of the administration of the training scholarships in foreign countries must coordinate with other institutions through their top executives and training units, with the purpose of using these possibilities in the best way.

ANNEX 3

Overview of Ecuadorean Training Institutions

PUBLIC SECTOR

- 1.- Ministry of Agriculture (MAG)
- 2.- Ministry of Public Health
- 3.- Ministry of Education
- 4.- Ministry of Finance
- 5.- Ministry of Public Works
- 6.- Ministry of Natural Resources and Energy
- 7.- National Bureau of Personnel (DNP)
- 8.- Social Security Institute (IESS)
- 9.- National Institute of Statistics and Census (INEC)
- 10.- Ecuadorean Institute of Agrarian Reform and Colonization (IERAC)
- 11.- Central Bank of Ecuador
- 12.- National Development Bank (BNF)
- 13.- National Institute of Measurements and Norms (INEN)
- 14.- National Institute of Training for Educators (INACAPED)
- 15.- National Cadastral Institute (DINAC)
- 16.- Civil Registry Institute
- 17.- Ecuadorean Sanitary Works Commission (IEOS)
- 18.- Ecuadorean Petroleum Corporation (CEPE)
- 19.- Ecuadorean Professional Training Service (SECAP)
- 20.- National Telecommunications Institute (IETEL)
- 21.- National Institute of Electricity (INECEL)
- 22.- National Institute of Agricultural Research (INIAP)
- 23.- Comptroller General's Office (CGN)

PRIVATE SECTOR

1. Centro de Ejecutivos (Guayaquil)

This organization provides high level technical and managerial training. Courses provided include engineering, government planning, and program evaluation, as well as secretarial skill development and human relations.

2. Centro de Formación Empresarial (CEFE)

CEFE, located in Quito, offers courses for middle and high level executives in the areas of personnel administration, quality control, budgeting, and accounting.

3. Planificación Económica - Empresarial (PEER)

PEER provides administrative training for middle and high level enterprise executives. It also offers training for executive secretaries.

4. Instituto de Relaciones Públicas e Idiomas

This institute's training programs, designed for public and private sector employaes, are in the fields of human relations, taxation, and import/export.

5. Centro de Motivación y Asesoría (CEMA)

CEMA provides training in organizational development for instructors, personnel directors, and managers. It also provides appropriate educational technologies, training, and materials for urban and rural social development projects.

6. Asociación de Oficinas Técnicas (AOTEC)

AOTEC's training includes computer programming, data processing, program budgeting, and systems analysis for accountants.

7. Centro de Estudios e Idiomas

The Center provides training courses in techniques for tax payments and customs mechanisms.

8. Central University - Institute of Administrative Studies (IEA) 1/

IEA provides training to both the public and private sectors through courses geared mostly to the development of lower level administrative skills.

9. Catholic University 1/

Catholic University provides post-graduate training in managerial and administrative techniques.

1/ Both universities receive some financial support from the central government but operate independently.

ANNEX 4

Recommended Position Descriptions for Long-Term Experts

USAID proposes to assure the provision of long-term technical advisory services to the Government of Ecuador (DNP) in the following areas within 30 days after the formal signing of the Project Agreement:

1. Public Administration and Management

One Public Administration and Management specialist will work with one Ecuadorean counterpart in designing and developing the NTS system for training managers for the public sector in Ecuador. He/she will provide advisory services and guidelines on how to carry out the management functions necessary for efficient NTS operation.

These areas will include accounting, purchasing, budgeting, inventory control, personnel selection, management, planning and evaluation, the establishment of new components or the strengthening of existing components in the system, the performance of functional analyses and task analyses, the design and implementation of a management information system, the development of procedures for management control and coordination, the design and development of an evaluation subsystem to provide continuing feedback to management on the statistics of program development and progress, and the identification of any problem areas in the system which indicate a need for improvement or program redirection. The specialist will function as the chief of party and coordinate the functions of the other technical assistance advisors, as well as prioritize and schedule their technical services in order to meet project goals and objectives effectively.

The specialist will work specifically in Quito at the DNP, but the programs developed should have general applicability to other regions and local areas. The assignment is for three years.

2. Manpower Planning and Personnel Administration

The Manpower Planning and Personnel Administration specialist will determine the specific occupational and professional needs of the GOE public sector both currently and for the future in terms of the Ecuadorean Five Year Plan. The specialist will work with two Ecuadorean counterparts in organizing a system for providing the DNP and cooperating agencies with a continuing flow of reliable data on priority manpower needs for management by regions and key sectors of the economy. He/she will also develop a program for training DNP personnel in the operation of the system. This system should include methods for obtaining data on projected manpower needs, analysis of statistical data, needed training programs, and investment schedules for new programs. He/she will have major responsibility for design-

ing, developing, and implementing the applied research studies on manpower planning for the public sector, NTS linkages with a public sector career planning system, and motivation and incentive systems for the public sector. This assignment is for 18 months.

3. Instructional Systems Design and Development (Educational Technology)

One specialist in instructional systems design and development will work with the manager of the DMP materials and methods department in designing, developing and implementing a modernized system of management training. He/she will provide technical assistance and guidelines for the establishment of an instructional materials development component in Quito, which will design, develop, and evaluate materials for multimedia presentations, using programmed instruction materials, case studies, simulation games, role plays, on-the-job training, practical exercises, video cassettes, film, slide tape presentations, and other methodologies appropriate to the characteristics of the learner, the specific training objective to be learned, and the learning environment.

He/she will be responsible for developing the maximum utilization of equipment and innovative techniques so that instruction within the management training centers both in Quito and in the regional and local offices will move from a group orientation to a more individualized approach. The end product of his/her work will be a new curriculum developed for management training.

He/she will be responsible for training Ecuadorean counterparts in the following areas of instructional systems design and development:

- a. Needs assessment/task analysis,
- b. design of instructional objectives,
- c. determination of learner characteristics and required entry level skills,
- d. determination of appropriate instructional strategies and materials,
- e. determination of characteristics of the learning environment.
- f. development of modular, individualized instructional materials in view of needs,
- g. development of criterion referenced tests to measure achievement of the terminal and enabling objectives,
- h. development of criteria and conditions for test measurement,

- i. testing of the proposed program on a representative sample of learners,
- j. implementation with trained instructors,
- k. evaluation,
- l. revision of the system as needed, and
- m. validation of the system.

He/she will also be responsible for implementing the "Assessment Center". This assignment is for 18 months.

ANNEX 5

Criteria for Selection of GOE Institutions, Positions, and Participants to Receive NTS Training

INSTITUTIONS

The Ecuadorean Government listed administrative reform among its twenty-one priority programming points to guide development during the next five years. GOE planning documents state that it will concentrate resources on increasing both the efficiency and the technical capacity of its entire public sector management system.

Within these guidelines, the following criteria are recommended for selecting GOE institutions to receive NTS management training on a first priority basis:

1. Institutions which provide support for AID development projects in Ecuador, including the Ministry of Agriculture, the Ministry of Health, and the National Housing Bank.
2. Institutions which will provide support for potential AID Development Projects.
3. Institutions which directly impact the poor in Ecuador.

POSITIONS

It is recommended that the first priority for NTS training should be at the division chief level. The second priority would be potential division chiefs. Criteria for selection are the following:

1. Positions that require planning, organization, and management of fiscal, physical, and human resources directed toward priority GOE and AID development programs in Ecuador.
2. Positions held by permanent career public sector personnel.
3. Positions that indicate the proven or potential capacity of the employee for upward mobility in the management structure.
4. Positions that indicate the potential for a multiplier effect in terms of modeling for prospective managers. For example, in the Ministry of Agriculture, the primary candidates for specifically tailored management training would be the Director of Agricultural Development, the Director of Livestock Development, the Director of Rural Development, the Director of Forestry Development, the Director of Agrobusiness, and selected staff members with management potential.

It is recommended that executive level GOE officials receive short intensive orientation seminars on the goals, objectives, and operation of the new NTS in order to provide them with up to date information on new management techniques and strategies and to gain their acceptance and confirmation of the new System. Longer term training for this position level, however, is not recommended, due to lack of time available for participation and lack of permanence in the position (since many of these officials are political appointees).

PARTICIPANTS

It is recommended that candidates for NTS management training be selected through an "assessment center" process in order to objectively diagnose their strengths and weaknesses through job performance simulations, using a management model for criterion referenced testing.

In order to qualify for entrance to the assessment center process, the following participant selection criteria are recommended:

1. Career civil service employee.
2. Significant opportunity in his/her present or potential position to directly impact the poor through development programs.
3. Potential for upward mobility in the management structure.
4. Career experience:
 - a. variety of levels, functions, responsibility,
 - b. rate and quality of advancement.
5. Previous training in management and technical areas:
 - a. at his/her own initiative, and at no cost to the government,
 - b. at the institution's request with GOE financial support.
6. Match with institution's manpower planning schedule.
7. Match with the participant's personal, professional career goals and objectives.
8. Match with institution's cost/benefit analysis comparing upgrading of present personnel vs. recruitment of new staff with the required management skill levels.

9. Individual assessment:

- a. probability that he/she will remain in the public sector rather than move to the private sector,
 - b. probability that he/she will return to work in the public sector in Ecuador following U.S. or third country training, if such training is indicated, rather than contribute to the "brain drain".
10. Written recommendations for the prescribed training in management by supervisors at all four levels above the candidate in question.
 11. Linkage with the career planning system in operation in the candidate's institution.
 12. Results of performance evaluation.
 13. Time available for training

ANNEX 6

Course Offerings

The first three courses are examples of the types of courses to be offered in-country to the 3,380 public sector managers/administrators to be trained. The fourth course is an example of a course to be offered to trainers of trainers in the U.S. or third countries.

1. Planning

This course will concentrate on four major areas: (a) formulation of plans for development projects, (b) sectoral planning, (c) budgeting, and (d) evaluation of the social and economic results of development projects.

Upon completion of the course, the participant will be competent in conducting investment studies, designing mechanisms for grass-roots participation in the decision making process, conducting macro and micro-economic studies, performing and presenting needs assessments, preparing budgets, planning and programming projects to address target population needs, conducting social and economic analyses, and identifying and interpreting hidden costs and opportunity costs in development projects. (Average duration 150 hours.)

2. Financial Management

This course will concentrate on four major areas: (a) accounting, (b) financial control, (c) budget preparation, and (d) capital expenditure programs and return on investment.

At course completion, the participant will be competent in performing general accounting procedures, preparing and analyzing cost statements, preparing budgets, conducting investment planning studies, auditing accounts, identifying and quantifying program requirements in capital expenditure programs, and costing out and evaluating expenditures. (Average duration 200 hours.)

3. Management Techniques

This course will concentrate on three major areas: (a) organization and methods, (b) administration and supervision of personnel, and (c) information science and administrative research.

At course completion, the participant will be competent in organizing time, talent, and facilities; supervising, monitoring and evaluating projects, staff, and participants; conducting manpower planning studies; utilizing modern communication and training techniques and methods;

designing, analyzing, and interpreting research instruments; identifying project bottlenecks and developing strategies to cover these obstacles; developing management information systems; and conducting contract negotiations. (Average duration 400 hours.)

4. Instructional Systems Design

This course will concentrate on three major areas: (a) educational research and evaluation, (b) learning systems planning, design, and development, and (c) communications systems design, development, and production.

At course completion, the participant will be competent in performing needs assessments; designing pre and post tests for educational objectives; conducting validity and reliability studies; conducting formative and summative evaluation studies and cost/benefit analyses to determine the effectiveness of training; conducting task analyses; developing educational goals for the system; determining the knowledge and ability requirements of specific learning tasks; developing objectives for each task; producing task descriptions; developing an instructional strategy; designing and developing learning and instructor guides and the criteria by which effectiveness may be measured; converting the instructional design into appropriate media hardware and software support systems; developing and producing scripts, graphics, slide-tapes, films, and video tapes; and updating and maintaining media hardware. (Duration 500 hours.)

ANNEX 7

PRELIMINARY CRITERIA FOR EVALUATING THE
NTS TRAINING PROGRAM

1. Is the program providing continuous feedback to the NTS trainees on their educational progress?
2. Is the program adjusting instructional techniques to meet individuals' learning needs?
3. Are trainers interacting constructively with the NTS trainees (approachable, friendly, responsive, supportive)?
4. Is the program providing opportunity for the trainees to participate in the evaluation of curriculum?
5. Is the NTS recognizing signs of the potential trainee dropout, and taking remedial action?
6. Do trainers communicate in a coherent and logical manner?
7. Is NTS staff responding positively to constructive criticism by making appropriate changes?
8. Is the NTS encouraging the trainees' growth through supportive communication?
9. Is the project staff developing effective working relationships with the trainees?
10. Is the program assisting the trainees in the development of their problem solving skills?
11. Are reinforcement and motivational techniques being utilized?
12. Is the program providing practical activities for learning prescribed behaviors and attitudes?
13. Are the trainees acquiring the appropriate human relations skills to interact with others?
14. Is the system assessing learning needs?
15. Does the program promote self-directed learning?
16. Does the curriculum provide for varying ability levels?
17. Does the program apply instructional techniques which use the talents, abilities, and experiences of the trainees?

18. Is the program using performance-based assessment procedures?
19. Is the program using relevant and effective instructional methods?
20. Is the program using learning objectives with measurable outcomes?
21. Is the program developing conditions which facilitate learning?
22. Does the program provide for student self-evaluation?
23. Is the program using sequential, relevant short-range instructional objectives?
24. Do trainers solicit comments and expressions from the trainees?
25. Do the courses provide a suitable learning environment?
26. Is the program diagnosing entry knowledge and skills of the trainees for a given set of instructional objectives?
27. Is learning related to on-the-job experience application?
28. Does the system keep records of individual progress?

ANNEX 8

Increase in Other Agencies' Training Personnel

Below is a list of the 22 public sector institutions which in addition to DNP provide training. The information about increases in personnel was forecasted by DNP in conjunction with each institution. Blanks indicate lack of information. Because of the blanks, information in the body of the PP on the number of personnel to be part of the NTS is conservative.

<u>Institution</u>	<u>Training Personnel</u>							
	<u>1979</u>		<u>1980</u>		<u>1981</u>		<u>Increase</u>	
	<u>Prof.</u>	<u>Support</u>	<u>Prof.</u>	<u>Support</u>	<u>Prof.</u>	<u>Support</u>	<u>Prof.</u>	<u>Support</u>
IESS	9	6	9	2	0	2	9	4
MAG	5	3	2	1	2	1	4	2
INEC	5	0						
IERAC	10	3	0	2	2	1	2	3
MOH	2	1	4	1	2	1	6	2
MOE	4	6	4	1	3	1	7	2
Min. Fin.	4	3						
Min. Pub. Works	4	4						
Central Bank	4	3						
BNF	8	5						
INEN	1	0	1	1	0	0	1	1
INACAPED	19	12	33	3	1	2	34	5
Min. Nat. Res.	2	1	4	1	3	2	7	3
DINAC	5	2	6	2	2	2	8	4
Civil Reg.	10	3	4	2	0	0	4	2
IEOS	2	1	3	1	1	2	4	3
CEPE	12	6	3	2	3	2	6	4
SECAP	14	5	2	1	0	0	2	1
INECEL								
IETEL								
INIAP								
Contr.								
Total	120	64	75	20	19	16	94	36

ANNEX 9

Letter from GOE Requesting Project

At the time of transmittal of this PP to AID/W, the letter from the Director General of Public Administration (a cabinet level official) to the AID Representative requesting the Project had not yet been received. The letter was ready for signature, which was delayed only because of out-of-town travel.

The letter will be carried to AID/W by the AID Representative and made available for the DAEC review. It will be inserted into the PP for final PP printing in lieu of this page.

ANNEX 10

Statutory Checklist

5C(1) - COUNTRY CHECKLIST

Listed below are, first, statutory criteria applicable generally to FAA funds, and then criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FAA Sec. 116. Can it be demonstrated that contemplated assistance will directly benefit the needy? If not, has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights?

The Department of State has not so determined.

2. FAA Sec. 481. Has it been determined that the government of recipient country has failed to take adequate steps to prevent narcotics drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the United States unlawfully?

It has not been so determined. The GOE has an active narcotics control program with USG support.

3. FAA Sec. 622(b). If assistance is to a government, has the Secretary of State determined that it is not controlled by the international Communist movement?

The Secretary of State has so determined.

4. FAA Sec. 622(c). If assistance is to government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) debt is not denied or contested by such government?

No such case is known.

5. FAA Sec. 622(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?

No.

A.

6. FAA Sec. 620(a), 620(f); FY 79 App. Act, Sec. 108, 114 and 606. Is recipient country a Communist country? Will assistance be provided to the Socialist Republic of Vietnam, Cambodia, Laos, Cuba, Uganda, Mozambique, or Angola?

No

7. FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression?

No.

8. FAA Sec. 620(j). Has the country permitted or failed to take adequate measures to prevent the damage or destruction, by mob action, of U.S. property?

The GOE is taking measures considered adequate by the USG.

9. FAA Sec. 620(l). If the country has failed to institute the investment guaranty program for the specific risks of expropriation, inconvertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason?

The AID Administrator has not so considered.

10. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. If country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters:

In recent years no such incidents have taken place.

a. has any deduction required by the Fishermen's Protective Act been made?

b. has complete denial of assistance been considered by AID Administrator?

11. FAA Sec. 620; FY 79 App. Act, Sec. 603. (a) Is the government of the recipient country in default for more than 6 months on interest or principal of any AID loan to the country? (b) Is country in default exceeding one year on interest or principal on U.S. loan under program for which App. Act appropriates funds?

No.

12. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget which is for military expenditures, the amount of foreign exchange spent on military equipment and the

Yes, as per the annual report on implementation of Section 620 (s). Ecuador's CY 1980 budget does not increase the percentage spent for military purposes.

A.12.

amount spent for the purchase of sophisticated weapons systems? (An affirmative answer may refer to the record of the annual "Taking Into Consideration" memo: "Yes, as reported in annual report on implementation of Sec. 620's)." This report is prepared at time of approval by the Administrator of the Operational Year Budget and can be the basis for an affirmative answer during the fiscal year unless significant change in circumstances occur.)

13. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? **No**

14. FAA Sec. 620(y). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? **Payment status is current.**

15. FAA Sec. 620A, FY 79 App. Act, Sec. 607. Has the country granted sanctuary from prosecution to any individual or group which has committed an act of international terrorism? **No.**

16. FAA Sec. 666. Does the country object, on basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. there to carry out economic development program under FAA? **No.**

17. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it detonated a nuclear device after August 3, 1977, although not a "nuclear-weapon State" under the nonproliferation treaty? **No.**

B. FUNDING CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria

a. FAA Sec. 102(b)(4). Have criteria been established and taken into account to assess commitment progress of country in effectively involving the poor in development, on such indexes as: (1) increase in agricultural productivity through small-farm labor intensive agriculture, (2) reduced infant mortality, (3) control of population growth, (4) equality of income distribution, (5) reduction of unemployment, and (6) increased literacy?

AID/W has established such criteria, and they have been taken into account in reinitiating an AID program in Ecuador.

B.1.

b. FAA Sec. 104(d)(1). If appropriate, is this development (including Sahel) activity designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to urban poor?

Only indirectly, as trainees study development theories and apply them to development projects.

2. Economic Support Fund Country Criteria

a. FAA Sec. 502B. Has the country engaged in a consistent pattern of gross violations of internationally recognized human rights?

No.

b. FAA Sec. 533(b). Will assistance under the Southern Africa program be provided to Mozambique, Angola, Tanzania, or Zambia? If so, has President determined (and reported to the Congress) that such assistance will further U.S. foreign policy interests?

No.

c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

Not applicable.

d. FY 79 App. Act. Sec. 113. Will assistance be provided for the purpose of aiding directly the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights?

No.

e. FAA Sec. 600. Will security supporting assistance be furnished to Argentina after September 30, 1978?

No.

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable generally to projects with FAA funds and project criteria applicable to individual fund sources: Development Assistance (with a subcategory for criteria applicable only to loans); and Economic Support Fund.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE?
HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PRODUCT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 79 App. Act Unnumbered; FAA Sec. 653 (b); Sec. 634A. (a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure)?
Project was listed in FY 1980 Congressional Presentation. A revised notification will be made due to change in funding amount.
2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?
Not applicable.
3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?
No such action required.
4. FAA Sec. 611(b); FY 79 App. Act Sec. 101. If for water or water-related land resource construction, has project met the standards and criteria as per the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973?
Not applicable.
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?
Not applicable.
6. FAA Sec. 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.
No, project is Ecuador-specific in its institution building aspects.

7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

The Project will not directly have such effects. However, by training public sector administrators in development theory and management, the project should indirectly assist the country in its efforts to carry out all the items listed.

8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

Private U.S. firms are expected to supply most of the project's goods and services.

9. FAA Sec. 612(b); Sec. 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.

The GOE is supplying some 80% of the Project's costs. The AID funds are primarily to provide the foreign exchange costs which would be difficult for Ecuador to provide.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

No.

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes.

12. FY 79 App. Act Sec. 603. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar, or competing commodity?

Not applicable.

FUNDING CRITERIA FOR PROJECT

Development Assistance Project Criteria

a. FAA Sec. 102(b); 111; 113; 231a. Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained

(a) By training public sector administrators, project will support GOE's growth with equity programs, which specifically are designed to involve the poor in development.

B.1.a.

basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106, 107.
Is assistance being made available: (include only applicable paragraph which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.)

(1) [103] for agriculture, rural development or nutrition; if so, extent to which activity is specifically designed to increase productivity and income of rural poor; [103A] if for agricultural research, is full account taken of needs of small farmers;

(2) [104] for population planning under sec. 104(b) or health under sec. 104(c); if so, extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems and other modes of community research.

(3) [105] for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development;

(4) [106] for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is:

(i) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;

(ii) to help alleviate energy problems;

(iii) research into, and evaluation of, economic development processes and techniques;

(iv) reconstruction after natural or manmade disaster;

(b) Project is not so directed.
(c) Project is in direct assistance to GCE development plan, which is self-help oriented. (d) A project target is that 20 to 25% of trainees be women (more than their current per cent participation in public sector).
(e) Project is not so directed.

The assistance is being made available for education, public administration, and human resources development (under Section 105 of the FAA). The project will strengthen the management capability of public sector institutions which work in development projects directed toward the poor. Some of the training will focus directly on how to involve the poor in the development process, how to provide better interactions between the institutions and the poor, and how the institutions can more effectively provide services to the poor.

8.1.b.(4).

(v) for special development problem, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;

(vi) for programs of urban development especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

c. [107] Is appropriate effort placed on use of appropriate technology?

Yes, curricula appropriate to Ecuadorian needs will be developed.

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least-developed" country)?

Yes, GOE is providing some 80% of project costs.

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to the Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"?

Project does not involve grant capital assistance.

f. FAA Sec. 291(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental and political processes essential to self-government.

The project fulfills an expressed GOE need. Ecuadoreans, from both the public and private sector, were involved closely in its design. The training in the project will be directed toward more effective public administration of development projects.

g. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Indirectly, the project should contribute to self-sustaining economic growth for Ecuador.

2. Development Assistance Project Criteria (Loans only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, including reasonableness of repayment prospects.

Not applicable.

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete in the U.S. with U.S. enterprise, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

Not applicable.

B.

3. Project Criteria Solely for Economic Support Fund

a. FAA Sec. 531(a). Will this assistance support promote economic or political stability? To the extent possible, does it reflect the policy directions of section 102?

Not applicable.

b. FAA Sec. 533. Will assistance under this chapter be used for military, or paramilitary activities?

Not applicable.

5C(3) - STANDARD ITEM CHECKLIST

Listed below are statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of goods and services financed? **Yes, AID procedures encouraging small business participation will be utilized.**
2. FAA Sec. 604(a). Will all commodity procurement financed be from the U.S. except as otherwise determined by the President or under delegation from him? **Yes. Procurement is planned from U.S. and host country. Waivers for Code 941 procurement will be requested as required.**
3. FAA Sec. 604(d). If the cooperating country discriminates against U.S. marine insurance companies, will agreement require that marine insurance be placed in the United States on commodities financed? **Not applicable.**
4. FAA Sec. 604(e). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? **No applicable.**
5. FAA Sec. 608(a). Will U.S. Government excess personal property be utilized whenever practicable in lieu of the procurement of new items? **Yes.**
6. FAA Sec. 603. (a) Compliance with requirement in section 301(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S.-flag commercial vessels to the extent that such vessels are available at fair and reasonable rates. **Such provision will be written in Project Agreement.**
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished to the fullest extent practicable as goods and professional and other services from private enterprise on a contract basis? If the **Yes. All TA is expected to be furnished from private sources.**

A.7.

facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

8. International Air Transport. Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will provision be made that U.S.-flag carriers will be utilized to the extent such service is available?

Yes, the Project Agreement will so state.

9. FY 79 App. Act Sec. 105. Does the contract for procurement contain a provision authorizing the termination of such contract for the convenience of the United States?

Yes.

B. Construction

1. FAA Sec. 601(d). If a capital (e.g., construction project, are engineering and professional services of U.S. firms and their affiliates to be used to the maximum extent consistent with the national interest?

Not applicable.

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

Not applicable.

3. FAA Sec. 620(h). If for construction of productive enterprises, will aggregate value of assistance to be furnished by the United States not exceed \$100 million?

Not applicable.

C. Other Restrictions

1. FAA Sec. 102 (a). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter?

Not applicable.

2. FAA Sec. 601(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights?

Not applicable.

3. FAA Sec. 620(h). Do arrangements preclude promoting or assisting the foreign aid projects or activities of Communist bloc countries, contrary to the best interests of the United States?

Yes, arrangements so preclude activities as stated.

4. FAA Sec. 636(i). Is financing not permitted to be used, without waiver, for purchase, long-term lease, or exchange of motor vehicle manufactured outside the United States, or guaranty of such transaction?

No motor vehicles will be financed.

-- Which arrangements preclude use of financing:

a. FAA Sec. 104(f). To pay for performance of abortions or to motivate or coerce persons to practice abortions, to pay for performance of involuntary sterilization, or to coerce or provide financial incentive to any person to undergo sterilization?

b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property?

c. FAA Sec. 660. To finance police training or other law enforcement assistance, except for narcotics programs?

d. FAA Sec. 662. For CIA activities?

e. FY 79 App. Act Sec. 104. To pay pensions, etc., for military personnel?

f. FY 79 App. Act Sec. 106. To pay U.N. assessments?

g. FY 79 App. Act Sec. 107. To carry out provisions of FAA sections 209(c) and 251(h)? (Transfer of FAA funds to multilateral organizations for lending.)

h. FY 79 App. Act Sec. 112. To finance the export of nuclear equipment, fuel, or technology or to train foreign nations in nuclear fields?

i. FY 79 App. Act Sec. 601. To be used for publicity or propaganda purposes within United States not authorized by the Congress?

Arrangements preclude the financing of all items listed.

FEB 27 1980

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR (LAC)

FROM : LAC/DR, Marshall D. Brown

SUBJECT: Ecuador Training for Development Project Authorization

Your approval is required for a grant of \$1.3 million from the Education and Human Resources Development appropriation to Ecuador for the Training for Development project (518-0017).

Discussion:

Development efforts of the Government of Ecuador (GOE) over the past 20 years have been severely constrained by a shortage of sufficiently trained public sector personnel. While many mid to upper level public sector employees are well qualified in their technical fields, they lack training in administration and management, in planning and in the design and implementation of projects. Currently training is done by individual entities, is uncoordinated, usually is technically oriented, is unduly costly, and uses inappropriate methodologies.

The purpose of the project is to assist the GOE to institutionalize a viable and operational National Training System (NTS) for the public sector. The project will establish a central coordinating body within the GOE's National Bureau of Personnel, upgrade the staff of training departments in various GOE ministries and agencies, create inter-institutional training organizations at the province level, and develop training methodologies in an attempt to provide for a system that should eventually be able to train all GOE mid and upper level managers involved in development.

During project implementation, emphasis will be given to training personnel within those sectors in which AID is planning to undertake development programs. The NTS will also provide for studies and recommendations to address public sector personnel weaknesses other than training - for example, financial and career development incentives.

The LAC Bureau's Development Assistance Executive Committee (DAEC) reviewed the project and recommended approval on February 6, 1980, subject to certain revisions to the Project Paper. The proposed revisions have been incorporated into the PP. The IEE for the project, recommending a negative determination, was approved by the Assistant Administrator on June 7, 1979.

Justification to Congress:

The project was included in the FY Congressional Presentation on page 2.

Recommendation:

That you sign the attached Project Authorization.

Attachment: a/s

PROJECT AUTHORIZATION

Name of Country: Ecuador
Name of Project: Training for Development
Number of Project: 518-0017

1. Pursuant to Section 105 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Training for Development project for Ecuador involving planned obligations of not to exceed \$1,300,000 in grant funds over a four-year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.

2. The project consists of assisting the Government of Ecuador (the "GOE") in institutionalizing and formally establishing a viable and operational National Training System ("NTS") for public sector personnel (the "Project").

3. The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

a. Source and Origin of Goods and Services

Goods and services, except for ocean shipping, financed by A.I.D. under the Project shall have their source and origin in the United States or in Ecuador, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

b. Condition Precedent to Initial Disbursement

Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement, the GOE shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D., evidence that the GOE will provide sufficient resources for the Project.

c. Conditions Precedent to Subsequent Disbursements

Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement, for other than for the studies on career path and incentive systems for the public sector and technical assistance for preparation of a time-phased implementation plan, the GOE shall, except as A.I.D. may otherwise agree in writing, furnish in form and substance satisfactory to A.I.D.:

- (i) evidence that the National Training Policy has been approved by the GOE;
- (ii) evidence that the National Training Policy establishes the authority of the National Bureau of Personnel for training all public sector personnel; and
- (iii) a detailed, time-phased Project implementation plan and a detailed personnel use plan.

d. Covenants

The GOE shall covenant and agree:

- (i) to emphasize training under the Project in the rural development, agriculture, education, health, housing, energy, social welfare and community organizations sectors; and
- (ii) to conduct annual evaluations of the Project with A.I.D., such evaluations to assess Project progress and make recommendations for remedial action if deficiencies are identified. The first evaluation shall focus on the institutional building process within the NTS; the second and final evaluations shall examine progress in achieving an operational NTS and impact of the system on development projects.

Edward W. Coak

 Acting Assistant Administrator
 Bureau for Latin America
 and the Caribbean

Feb 27 1980

 Date

Clearance:

GC/LAC:JLKessler *JLK* date *2/26/80*
for LAC/SA:RWeber *RW* date *2/26/80*
 LAC/DR:NParker *NP* date *2/26/80*
 LAC/DR:MBrown *MB* date *2/27/80*

Drafted:GC/LAC:GMW in file:ckg:2/21/80:ext:28183