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AN EVALUATION OF THE RHUDO/CENTRAL AMERICA TRAINING PROGRAM SEMINARS IMPLEMENTED BY INCAE

(Instituto Centroamericano de Administración de Empresas)

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I. EXECUTIVE SUMMARY

The Agreement between INCAE and RHUDO/CA is a proper mechanism by which RHUDO can support training in the region. In fact, it is difficult to imagine a more sophisticated, experienced regional educational institution that is appropriate for RHUDO needs. The seminars were for the most part a success, effective in training RHUDO's client groups in relevant issues that enhance AID's policy and programmatic agenda. The costs of implementing training through INCAE are nearly the same as costs incurred by other RHUDOs for similar training activities.

RHUDO/CA should continue to work with INCAE, reinforcing its evolving role as a key training provider in housing and urban development in the region. RHUDO's ability to respond to the training needs of the region will be enhanced by its assignment of a regional training coordinator to provide direction to INCAE's training program.

There are several reasons for the relative effectiveness of seminars provided under the RHUDO/INCAE Agreement: RHUDO/CA and INCAE have jointly developed the program; the seminar participants have come from appropriate institutions in the region; INCAE is a very effective promotor of the seminars; the case-study method was generally effective; the seminar themes and content areas were appropriate; and the seminar faculty are generally knowledgeable and experienced teachers.

The seminars suffered from certain weaknesses: There were few concrete solutions provided for specific problems in housing, urban development, housing finance, and municipal development; schedules of some seminars were too intense for the time required to cover the material; and some faculty did not know the material well.

The impact of these seminars on housing and urban development in the region may be difficult to measure, but some results are evident: a) about 350 persons have devoted an intensive two or three days' reading, talking about, studying, and in general, learning about issues important to their ability to carry out their work responsibilities; b) institutional relationships and information exchange were enhanced among the seminar participants; c) the seminars raised the level of awareness, opened new perspectives, suggested new ideas and approaches, and changed attitudes; and d) the policy dialogue that took place contributed to a certain extent to HG project implementation.

The following specific issues are discussed in more detail on the page indicated.

1. The seminar subject areas were selected by RHUDO, discussed by RHUDO and INCAE, and planned and developed by INCAE under RHUDO's guidance. The subject areas, as a consequence, were certainly relevant to AID's agenda. There is no absolute mix of policy and technical skills training; both are important, though policy seminars can be more effective in advancing RHUDO's policy agenda and project implementation at the same time. (Page 9)

2. The case study method is clearly a valid approach for maximizing student participation. The effectiveness of these case studies varied. INCAE faculty should make it clear before, during, and after the case studies what the exercise is intended to accomplish--particularly focusing on problem analysis, approaches to solutions, etc.--and what the exercise is not intended to accomplish. It would be useful for INCAE to provide more faculty guidance in the small group discussions. Although group concensus is not expected, the case study discussions should result in a summary of issues and where possible, conclusions. (Page 10)

3. INCAE is quite able to present and promulgate PRE/H goals, but it is not now nor will ever be a RHUDO spokesman. In fact, RHUDO is better served when its agenda is advanced by a respected and independent voice that is not AID. RHUDO must continue to provide clear guidance, sometimes even technical assistance, regarding priorities and the substance of content areas. (Page 10)

4. As an academic and training institution, INCAE fulfills its responsibility of keeping abreast of emerging and current policy issues in the Central American region. One important subject that does merit special consideration is the role of the private sector in low-cost housing production. (Page 12)

5. The INCAE-RHUDO Agreement has clearly improved the regional institutional capacity to provide the kind of training both PRE/H and RHUDO support. One evidence of the institutionalization of RHUDO's agenda in INCAE is that some of the case studies developed for these seminars have been used in INCAE's divisions of public management and development management. Nevertheless, INCAE should look for housing finance experience beyond its immediate resources. (Page 12)

6. INCAE is an excellent seminar manager, but its capacity to manage these kinds of seminars has probably been reached with its existing logistical and academic resources. Additional demands for similar training activities will require new and significant financial support, or reallocation of existing resources. (Page 13)

7. INCAE has been extremely effective in attracting appropriate participants to the seminars. (Page 14)

8. In the absence of a sophisticated cost benefit analysis, it is clear that the INCAE seminars have been cost effective. The costs are reasonable and the seminars have been effective in conveying PRE/H and RHUDO/CA policy issues to a suitable and influential audience. (Page 14)

9. Except for some work on budget matters reflecting changes in the training program, RHUDO's responsibility for managing training logistics has been virtually nil. There is a need for written exchanges of understandings, particularly in seminar development. RHUDO/CA's regular and vital contribution of identifying training needs and refining INCAE seminar subjects should be undertaken with more collaboration with RHUDO/PSA. (Page 15)

10. All seminars should be offered as national seminars unless the topic is clearly so broad (e.g. national housing policy) or so narrow (e.g.

microcomputers, design techniques) that a regional approach to its teaching will not be regarded by the participants as irrelevant to their needs. (Page 16)

11. RHUDO should consider financing follow-up technical assistance to take advantage of the training momentum, and be a possible mechanism to advance and solidify RHUDO's agenda. (Page 17)

12. The attitudes of high- and middle-level officials toward the usefulness of training as a development tool were reinforced by these seminars. (Page 17)

13. The documents distributed represent an enormous quantity of relevant material that unfortunately loses much of its usefulness at the seminars' end. This documentation should be collected and organized by broad subjects and specific issues. (Page 17)

II. BACKGROUND

In March 1985, the Regional Housing and Urban Development Office/Central America (RHUDO/CA) signed a $380,000 Cooperative Agreement (Agreement) with the Instituto Centroamericano de Administración de Empresas (INCAE) to implement a major part of the RHUDO's training strategy in the region. At the same time, INCAE's training and technical assistance efforts into shelter and urban related areas would be expanded. This model of a RHUDO implementing much of its training strategy through an established training institution represents a new approach for the Office of Housing and Urban Programs (PRE/H).

INCAE's major work for RHUDO/CA has been to develop and present seven two- to four-day seminars on housing and urban development topics for Central American private and public sector officials; two more seminars will be offered in the near future. (Under the Agreement, INCAE has also developed a regional training plan, financed training in the U.S., and provided technical assistance to El Salvador.) PRE/H has requested an evaluation of the extent to which the Agreement has allowed RHUDO to effectively carry out its policy and programmatic agenda in the region with a particular focus on the seven seminars. This report does not evaluate RHUDO's entire training stratgy, nor is it a seminar by seminar evaluation. Ratner, it is intended to assist the RHUDO make program decisions about a new agreement with INCAE. At the same time, the evaluation was requested to provide PRE/H with an understanding of how this training model works, what its results have been, and what lessons may be useful in other regions.

Other components of RHUDO's training strategies--the placement of a training coordinator and the CABEI technical assistance, for instance--have not been implemented yet. When all the pieces of RHUDO's training strategy are in place, a comprehensive evaluation should be prepared.

This report first presents an Executive Summary of the conclusions, issues, and recommendations. Part III, Context of Evaluation, reviews PRE/H and RHUDO/CA training strategies, RHUDO's arrangement with INCAE, and the approach used in this evaluation. Part IV discusses the evaluation's conclusions and significant issues, and proposes appropriate recommendations. The Annexes contain excerpts from the recent Latin American Regional Training Program, a description of each seminar, and lists of persons interviewed and material reviewed.

III. CONTEXT OF EVALUATION

A. PRE/H Training Strategy. AID has long recognized training as an important means to support capital and technical assistance. Since the early 1970s, PRE/H itself has sponsored training activities in shelter and urban development. With the great need in developing countries for institutional development, there has been increasing emphasis on policy and academic training of selected senior government officials and on professional and technical skills training of middle level staff from public and private sector institutions related to specific projects. This experience has shown that training not only facilitates the implementation of capital and technical assistance projects but that it can also fulfill a number of important additional roles: as an outreach activity, helping advance AID's shelter and urban development philosophy; as an educational activity, enhancing the capacity of professors to incorporate AID perspectives in course presentations; as a flexible, cost-effective tool to provide help to countries where technical assistance or capital assistance projects are not presently feasible; and, when training assistance is provided to training institutions in developing countries, sustained improvements can occur in the professional and technical skill levels in the shelter sector and urban development field.

It is in that context that the PRE/H training program established the goal of the enhancement of skills and capacities to effectively address shelter and urban development issues. PRE/H training objectives are a) communicating policy goals and the experience of the AID shelter and urban development program at the decision-making level in developing countries; b) developing the capacity and competence of public and private implementing institutions operating in shelter and urban development, including the informal and small scale private sector; and c) assisting in the development of sustainable training institution capacity in developing countries.

PRE/H regards three groups as targets for its training programs--policy level officials, public and private institutions and organizations, and national or regional training and academic institutions. The INCAE/RHUDO Agreement reflects all three targets--INCAE is a regional training institution that is training policy-level officials in public and private institutions.

B. RHUDO/CA Training Strategy. In the context of the PRE/H training strategy, RHUDO/CA has established its goal to improve project implementation and the knowledge and skill levels of shelter and urban development professionals as well as the capacity of their institutions. The training assistance objective is to dramatically increase the number of trained professionals in the region and to institutionalize improvements. RHUDO/CA recently elaborated that approach as it developed a Latin American training strategy in collaboration with RHUDO/PSA. Annex A presents the newly articulated RHUDO/CA Training Plan.

In 1984, RHUDO/CA and RHUDO/PSA jointly developed a proposal that reflected the contribution that training could make to improve the absorptive capacity of projects (such as HGs) receiving capital assistance. The subsequent input and clearance from the affected missions resulted in a preliminary training needs assessment, so that by 1985, RHUDO/CA was ready to contract a training

institution to implement part of the plan. In 1985, RHUDO/CA concluded that INCAE was the appropriate institution to help carry out its training strategy--it had the academic standards, the regional awareness, and it seemed to have the appropriate institutional and academic resources needed to establish a suitable base in the field. In fact, as described in the Agreement, RHUDO/CA selected INCAE because...

> First and foremost, it provides a first class product. Second, it has a recognized expertise in banking and financial management, issues of major import in the shelter and urban programs throughout the region. Third, it is physically located within Central America. Fourth, it has logistical advantages which will minimize the time-consuming efforts of logistically mounting a series of seminars. Last, but far from least, it represents an opportunity for AID to expand and strengthen the institutional capacity of an already existing regional training center which could provide assistance to Central America over the long term. INCAE already has a proven track record. Its management training program is unique in the region in terms of quality, scope and relevance, and it has demonstrated capacity to design both long-term and short-term training.

Thus, RHUDO/CA negotiated with and ultimately entered into an agreement with INCAE in March 1985. The strategy and plan that were completed in August 1985 included a refined training needs assessment and established guidelines under which regional and national seminars in different topic areas were programmed. There would be seminars offered on a regional basis--the subject area would reflect the common problems, perspectives, and development stages of the Central American countries, and the participants would be drawn from all of those countries. And there would be seminars offered on a national basis--the selected subject area would be of special and current importance in one country, focus on its unique problems, and the participants would be drawn from appropriate institutions in that country. The following seven seminars were ultimately provided:

	SEMINAR	NATIONAL OR REGIONAL	LOCATION	DATES
1.	Housing Strategies	regional	Costa Rica	January 20-22, 1986
2.	Housing Finance	national	Guatemala	May 29-30, 1986
3.	Municipal Development	national	Guatemala	September 30 - October 3, 1986
4.	Housing Finance	national	Honduras	October 23-24, 1986
5.	Municipal Development	national	Costa Rica	December 14-17, 1986
6.	Alternative Mechanisms for Mobilizing Resources for Housing	regional	Costa Rica	March 19-20, 1987
7.	Municipal Development	national	Costa Rica	March 22-25, 1987

C. Evaluation Approach. This evaluation was carried out through meetings with INCAE, PRE/H, and RHUDO/CA personnel and contractors; a review of relevant documents, training materials, reports, memoranda, cables, and seminar evaluations; and interviews with over 30 persons--from Honduras, Costa Rica, and Guatemala-- who participated in one or more of the seminars.

One obvious phenomenon is at work in this type of evaluation: the opinions of the participants reflected their expectations, their work experience, the job level at their institutions, and the effectiveness of the faculty as stand-up, entertaining performers. As a consequence, opinions varied as to the quality and general effectiveness of the seminars. It is interesting (though not significant for evaluation purposes) to note also that the higher the level and background of the participants, the more criticisms they made of the seminars, and conversely, the lower the level and the less experienced the participants, the more enamoured they were with the seminars.

IV. CONCLUSIONS, ISSUES, AND RECOMMENDATIONS

The Agreement between INCAE and RHUDO/CA is a proper mechanism by which RHUDO can support training in the region. In fact, it is difficult to imagine a more sophisticated, experienced regional educational institution that is appropriate for RHUDO needs. The seminars were for the most part a success, effective in training RHUDO's client groups in relevant issues that enhance AID's policy and programmatic agenda.

The impact of these seminars on housing and urban development in the region may be difficult to measure, but some results are evident: a) about 350 persons have devoted an intensive two or three days' reading, talking about, studying, and in general, learning about issues important to their ability to carry out their work responsibilities; b) institutional relationships and information exchange were enhanced among the seminar participants; c) the seminars raised the level of awareness, opened new perspectives, suggested new ideas and approaches, and changed attitudes; and d) the policy dialogue that took place contributed to a certain extent to HG project implementation. Several participants interviewed provided examples of specific results of the seminars:

- The Housing Strategies seminar provided one participant with the genesis of his institution's current efforts to develop its program for lower income groups, including the informal sector.

- An interchange that was facilitated at another seminar provided a savings and loan association in one country with design ideas for a low-cost, acceptable-standard housing project from a private developer in another country.

- Annual budget planning and decision-making systems improved in one secondary city as a result of a Municipal Development seminar, according to a participant.

- One participant reported that his municipality is now pursuing the sites and services concept that was advocated at one Municipal Development seminar as a low-cost response to serious housing needs; the municipality is in the process of purchasing land for such a project.

- The fundamentals of a savings and loan system were conveyed at a regional Housing Finance seminar from a country with a system in place to one which is interested in establishing one.

One example of a negative consequence of the seminars should be noted. The objective of minimizing subsidies in housing project design has been well articulated in Guatemala over many years. In Costa Rica, however, that objective has apparently been recently weakened and even compromised. It was

at one of these seminars that representatives from Guatemala first heard about this. The irony that subsidy issues in Costa Rica were in effect a poor example for Guatemala was not lost on seminar participants. In this way, the normally important and effective idea interchange among countries at regional seminars was undermined by policy inconsistencies.

This evaluation focused on nine topics which PRE/H and RHUDO/CA had identified as of particular importance. In addition, several other issues recurred in interviews and discussions with participants as well as INCAE and RHUDO/CA staff. Those topics and issues are discussed below. Where appropriate, recommendations are provided.

1. The relevancy of the themes of INCAE's seminars, both national and regional, to AID's agenda; the balance of policy and skills training. The seminar subject areas were, of course, selected by RHUDO, discussed by RHUDO and INCAE, and planned and developed by INCAE under RHUDO's guidance. The subject areas, as a consequence, were certainly relevant to AID's agenda. The Municipal Development seminars, for instance, promoted the decentralization of central government responsibilities to local governments, the operations of local planning, the revenue potential of local governments, the role of the private sector, the importance of beneficiary capacity to pay, and the possibilities of cross-subsidization. The Housing Finance seminars introduced several subjects of certain relevance to PRE/H activities - the minimization of subsidies, the reliance on financial resources at market interest rates, and the importance of designing projects that are affordable by the target beneficiary group of low income families.

One implicit element of the PRE/H agenda that was not consistently treated in the seminars was the role that housing production plays in the economic development of a nation. **Such a context is important to convey and an appropriate and balanced presentation should be developed.**

Though INCAE is a skills training institution in the context of higher education (with its practical, MBA-type program), the seminars offered to date under this Agreement have been policy seminars; they have taught policy issues to policy-level personnel.

Despite policy training's noble aims of imparting sound, new ideas, policies, solutions, etc. to seminar participants, the more obvious and recognized consequence is the new and reinforced networking among institutions and senior managers, the exchange of useful experiences among them, and the focused time devoted to face to face debate on recurring, generic issues such as subsidies, market interest rates, and beneficiary affordability. Technical skills training accomplishes some of that, but more importantly teaches the skills that should improve, for example, the functioning of a discrete component of a housing production system, or the management of a housing institution. It is in that context that a skills training seminar on micro-computer use will be offered soon. **There is no absolute mix of policy and technical skills training; both are important, though policy seminars can be more effective in advancing RHUDO's policy agenda and project implementation at the same time.**

2. The validity and effectiveness of the case study method as an instruction mode to impart AID's shelter and urban development objectives. The case study method, INCAE's traditional and highly regarded teaching approach, was used to a greater or lesser extent in all seven seminars. It is clearly a valid approach for maximizing student participation; in fact, participatory training is probably most appropriate for adults, and the case study process assures such participation. Though traditional Latin American education is predominantly in lecture situations not conducive to student participation, many students enjoy the kind of interchange that case studies encourage, and in fact, appreciate the opportunity to display public speaking talents.

The case study method is particularly valid for the field of housing and urban development. The method permits a lot of material to be conveyed in one format. The case study method permits the full airing of views from the myriad of actors and institutions with whom an official must deal--national and local government politicians, managers, and technicians; financing institutions; developers; architects; land owners; families in need of housing.

In all, INCAE developed and presented 13 different case studies--three in housing finance, five in municipal development, and five in housing and urban development. The effectiveness of these case studies varied. Based on the judgements of several participants, most cases were very effective--well drawn, well presented, and aptly guided to sound conclusions. Other cases, however, were found to be incomplete, neither well documented nor well presented. Such views were few and the problems are easily corrected by more attention by INCAE to the case and its presentation. Improvements were already evident by the time the cases were used in a subsequent seminar. These issues are the inevitable consequence of the case study method and reflect the participants' expectations more than any serious weakness in execution by INCAE. **INCAE faculty should make it clear before, during, and after the case studies what the exercise is intended to accomplish--particularly focusing on problem analysis, approaches to solutions, etc.--and what the exercise is not intended to accomplish.**

The most effective case studies are those that have been developed after considerable investigation of real cases. Such investigations are frequently linked to ongoing technical assistance, evaluations, or other program support that RHUDO provides. **In order to improve INCAE's capacity to develop high-quality, relevant case studies, therefore, RHUDO should regularly provide INCAE with appropriate program documents.**

The more prevalent criticism of the case studies was that the small group discussing the case lacked faculty guidance, and ultimately arrived at no solutions applicable to the participants' problems, or even clear conclusions regarding the case in question. **It would be useful for INCAE to provide more faculty guidance in the small group discussions. Although group concensus is not expected, the case study discussions should result in a summary of issues and where possible, conclusions.**

3. The ability of INCAE to articulate PRE/H goals. PRE/H goals are intended to enhance its policies and approaches, as well as advance HG project implementation. INCAE is quite able to present and promulgate PRE/H goals.

As a sound educational institution, INCAE teaches policies and principles that are not inconsistant with RHUDO's agenda, though RHUDO's guidance certainly causes INCAE to concentrate on selected topics. That said, it must be noted that INCAE is not now nor will ever be a RHUDO spokesman. INCAE has learned RHUDO's agenda, priorities, and issues in a relatively short period of time, particularly considering only one subject area (municipal development) has been formalized within INCAE. But INCAE cannot be expected to teach Housing Guaranty (HG) project development and implementation, nor HG financing mechanisms.

INCAE's seminars provide training that improves the human resource base, and hence benefits housing and urban development project implementation in the long run. Improvement in the implementation of current projects, however, should not be expected to result from these seminars. INCAE is involved in the long term process of education, not in AID project implementation.

Most of the faculty at the seven seminars were drawn from INCAE's permanent staff. Occasionally, individuals were also contracted for a particular seminar for their expertise on a given subject. Thus, four RHUDO representatives and six other individuals augmented the core INCAE faculty at the seminars; the faculty at any one seminar ranged from all-INCAE professors to three out of six professors from INCAE. The outside contributors (whose selection and presentations INCAE had very little control) taught specific subjects that complemented the permanent INCAE faculty presentations, e.g., the operation of the U.S. capital market and the "dual transaction" nature of HG loans.

Most participants were very pleased with the quality of all seminar faculty, permanent and non-permanent. Some of the participants, however, thought that some of the outside faculty were simply not effective presenters--qualified professionals in the field, but not good teachers. This problem reflects RHUDO's determination that certain subjects (e.g., HG loan mechanisms) be covered that INCAE faculty was simply not qualified to present. Other participants were somewhat dissatisfied with the level of understanding that some of the permanent faculty displayed about housing finance in the country--qualified teachers in the field, more intellectual and theoretical, but lacking some practical implementation experience. These views are a consequence of seminars whose subjects are of such current import and whose participants represent such a variety of experiences.

There was at least one RHUDO representative at each seminar. AID Missions as well as Latin American Training Center representatives also attended some seminars. Except for the occasional scheduled presentation, these persons attended as observers, interested parties to be sure, but with every intention to not participate but rather to monitor and evaluate. Many of the seminar participants found this confusing--why weren't AID personnel entering the discussions, defending their positions, while otherwise and elsewhere, so obviously advocating AID's agenda? Other participants, however, in particular those who have had long-standing relationships with RHUDO, found AID's contribution repetitious--when will AID cease harping on market interest rates? In the desire to rely on INCAE's independent voice, RHUDO's seminar observation approach is sound. It is important for AID personnel to remain in the background most of the time. On the other hand, the presence and role of the personnel should be explained to the other participants, and the personnel

should make a contribution when they have an opportunity to clarify or defend a specific AID viewpoint.

Although it is not possible to evaluate policy changes brought about by these seminars, INCAE has effectively presented key RHUDO issues such as interest rates for housing project loans and for beneficiary repayment. In fact, RHUDO is better served when its agenda is advanced by a respected and independent voice that is not AID.

INCAE has come from a zero base of RHUDO agenda awareness to a respectable level. RHUDO must continue, however, to provide clear guidance, sometimes even technical assistance, regarding priorities and the substance of content areas. Understandings regarding these matters must be formalized prior to each seminar. INCAE's effectiveness will continue to improve to the extent that a) RHUDO is involved in seminar preparation, and b) INCAE retains its permanent staff, and hires new key staff.

4. The flexibility of INCAE to respond to emerging policy issues in the region. As an academic and training institution, INCAE fulfills its responsibility of keeping abreast of emerging and current policy issues in the Central American region. INCAE's permanent representatives in each country in the region contribute to its awareness and understanding of such issues. The fields of housing finance and municipal development had not been a specific INCAE focus until the current Agreement with RHUDO, but with RHUDO guidance, INCAE has been able to effectively prepare itself for these teaching responsibilities.

The encouragement of the private sector to play a major role in low-cost housing production is an important AID goal. One step in this direction is of course the significant participation by representatives of private sector institutions in training activities. While the private sector participation at the INCAE seminars was in fact excellent, specific seminar presentations and case studies should be developed to reflect the special perspective and needs of the private sector.

5. The extent to which the goal of improving regional institutional capacity to respond to PRE/H and RHUDO needs has been met. The INCAE-RHUDO Agreement has clearly improved the regional institutional capacity to provide the kind of training both PRE/H and RHUDO support. The Agreement has served to strengthen an existing institution, nearly always a desireable goal, rather than to create a new institution. INCAE has such a solid reputation in Central America that when it offers a series of seminars in housing and urban development, it serves to enhance RHUDO's influence and network.

After offering seven seminars in a 15-month period under this Agreement, the field of housing and urban development is becoming institutionalized in INCAE. Institutionalization relates to the hiring of permanent staff as much as any other indicator; INCAE has hired the staff. In this case, municipal development is regarded by INCAE as a field of increasing importance and demand in the region. On the other hand, while housing finance is recognized as an important field with significant demand for training, INCAE has not yet made the permanent committment to it by hiring or designating a permanent

faculty manager. For each housing finance seminar, INCAE had to adjust some of its resources to provide appropriate faculty. That faculty is not working full time on housing finance issues and therefore does not bring the desired expertise to housing finance seminars that INCAE is able to bring to municipal development seminars. As a consequence, **INCAE should look for housing finance experience beyond its immediate resources--to RHUDO's contractors or U.S.-based training, for instance.**

The extent to which case studies developed for these seminars have sufficient applicability and are used in other INCAE courses is another test of institutionalization. These case studies have, in fact, been used in INCAE's divisions of public management and development management.

6. The managerial capacity of INCAE to organize seminars now and in the future. As discussed elsewhere, the seminars have generally been successful. And the evidence shows INCAE to be an excellent seminar manager; INCAE has for many years offered short-term seminars in many subject areas. Its network in the region, its country representatives, its general experience, all contributed to logistical arrangements that were for the most part very efficient. In fact, although housing and urban development has not been an INCAE specialty, INCAE's high academic quality produced good seminars in this field.

At the same time, however, INCAE's capacity to manage these kinds of seminars has probably been reached with its existing logistical and academic resources. The project coordinator, for example, must not only teach, but also plan, manage, promote, deal with the budget, and provide internal and external coordination. The seven seminars have been the right number of seminars, offered at the right pace over 15 months, but **additional demands for similar training activities will require new and significant financial support, or reallocation of existing resources. Thus, for instance, if the World Bank undertakes a regional training program with INCAE in municipal finance or local water and sewerage planning, RHUDO would have to reconsider INCAE's capacity to manage RHUDO's training program.** As it is, RHUDO is wisely planning to place some of the responsibility for its training activities on a resident advisor operating within RHUDO.

The seminar planning and scheduling were generally well handled by INCAE, but improvements could be made. The intensity of some of these seminars was very great--long hours and heavy demands on the participants. **INCAE should consider reducing the subject co erage, expanding the number of seminar days, and of course, more strictly adhering to schedules.**

The written materials used in the seminars should be sent to each participant at least a few days prior to his arrival. An accompanying note should not only explain how each fits into the seminar, and what the reader should be aware of or look for in the reading, but also clearly present the framework of the seminar. If it is not feasible to provide program materials to participants prior to the seminar, then sufficient time should be programmed to allow participants the opportunity to read the materials during the seminar.

The seminar objectives and contents should be explained in such a way that the

participants' expectations are realistic. Once at the seminar, some of the opening presentations should be devoted to establishing a national economic development context for the major subject areas of the seminar. At the seminar's end, it is important to summarize the results, arrive at some conclusions, and again, place them in the context of national economic development. After the seminar, INCAE should prepare and send to each participant a statement summarizing the seminar results.

7. The effectiveness of INCAE in attracting appropriate individuals and institutions to its seminars. INCAE has been extremely effective in attracting appropriate participants to the seminars. INCAE's network in the region, even in housing and urban development, is broader than RHUDO's. Central American institutions working in the sector are being reached. INCAE's prestige is such that a seminar announcement gets the kind of attention RHUDO seeks. As a result, there has been a high level of seminar participation, particularly from the private sector--development banks, savings and loan associations, cooperatives, and development foundations. The private construction industry has been represented by associations whose members are land developers, investors, architects, and engineers.

At the policy seminars, the mix of institutions, backgrounds, and current job responsibilities improves the quality of the seminar. At the highest level are found presidents, executives, and managers, of national public and private institutions, and local governments. Such participants have varying academic and employment backgrounds, but their interaction at these kinds of seminars provides an excellent learning experience. Thus, for instance, it is important that the presidents of the city councils (mayors) of secondary cities in Costa Rica--whose educational level is not usually high--meet with, debate, and learn together with the management personnel of the national level Instituto de Fomento y Asesoria Municipal.

It is equally important that INCAE be assured that each participant is an appropriate one for a particular seminar. In some cases, the INCAE invitation to a seminar made its way down an institutional hierarchy to a staff person who was available, even highly regarded, but only remotely if at all connected to the seminar topic.

8. The cost effectiveness of the seminars based on a qualitative judgement and relative to the cost effectiveness of training in RHUDO/PSA (Panama and South America) and RHUDO/ESA (East and Southern Africa). In the absence of a sophisticated cost benefit analysis, it is clear that the INCAE seminars have been cost effective. The costs are reasonable and the seminars have been effective in conveying PRE/H and RHUDO/CA policy issues to a suitable and influential audience.

Although the information is too limited to accurately compare training program costs of the three RHUDOs, the following data at least indicates that the costs are not too dissimilar--RHUDO/CA, $218 per participant day; RHUDO/ESA, $169 per participant day; RHUDO/PSA, $168 per participant day.

RHUDO/CA. The costs of the RHUDO/CA training have been calculated by taking the INCAE seminar costs of $300,700 (the Agreement amount of $380,000 less the non-seminar costs of $79,300 for El Salvador technical assistance, U.S.

courses, and RHUDO consultant), dividing it by 459 participants (351 at this writing plus the 108 participants anticipated to attend the final two seminars under the Agreement). Then, dividing that number by the 3 days average seminar duration (27.5 seminar days, 19.5 as of this writing plus the anticipated 8 days in the final two seminars) equals $218 per participant per day.

For purposes of this analysis, the INCAE Agreement represents RHUDO/CA's complete training program, so that the outputs are the development and implementation of the seminars, and the inputs are the budget items from the Agreement which cover faculty and presenter salaries, transportation, lodging, meals for participants, outreach, support functions, etc. The inputs do not include RHUDO staff time, which, by design, has been minimal.

RHUDO/ESA. Here are the key exerpts from the Hoek-Smit/Bordenave report of September 1986: The cost of a participant day of training is approximately $170. This figure includes expensive overseas training as well as local training; it also includes the development of training materials by the RHUDO trainers and all the outreach work with institutions they carry out. It is not possible to make a more detailed cost breakdown according to the time spent by each RHUDO trainer on different activities, hence the use of the costs per participant training day as a comprehensive, but approximate indicator of costs.

RHUDO/PSA. Here are the key points from the Hoek-Smit/Bordenave report of August 1985: The RHUDO budget allocation for the LATC was $70,000 for FY 84 and $95,000 for FY 85, covering the costs of the assistant director, secretary, course preparation, presenters, and participant support. A conservative estimate of the items those budgets do not cover is $30,000 to $40,000 per year, for the time of the part time executive director, overhead, central accounting, Mission support, RHUDO outreach, and any travel costs covered by the organizations sending participants. In addition to the LATC, this RHUDO's training program includes the Inter American Savings and Loan Union contract, which provided training funds of $55,000 in FY 84 and $25,000 in FY 85. The sum of the LATC and IASLU training funds for those two years was thus about $315,000, which financed training to over 600 participants, at an average of 3.3 days per session, or $168 per participant per day.

9. <u>The extent to which the management arrangements have allowed RHUDO to reduce its logistical responsibility in the area of management of training</u>. Except for some work on budget matters reflecting changes in the training program, RHUDO's responsibility for managing training logistics has been virtually nil. All seminar logistics are managed by INCAE. These include the time-consuming, but very important details that affect the attitude, morale, and attention of the seminar participants--all arrangements for transportation, accomodations, meals, and the smooth operation of a given schedule. With INCAE handling these arrangements, RHUDO's involvement in the training program is where it ought to be and has most to offer, in the guidance and review of all substantive issues--content areas, documentation, policy and programmatic issues, and general course development and preparation. In fact, RHUDO plans to hire a resident training coordinator who, together with its housing finance and urban development advisors, will improve RHUDO's guidance on training content.

Although the management of the INCAE/RHUDO Agreement benefits from excellent personal relations among the individuals involved, the system remains too informal. **There is a need for written exchanges of understandings, particularly in seminar development. There is also a need for written quarterly evaluations by INCAE,** as called for in the Agreement.

Two kinds of individual seminar evaluations were undertaken. When RHUDO/CA representatives attended, they prepared a brief report. Its seminar evaluation system relies heavily on a numerical scoring system in which professors' knowledge and teaching talents are judged, but the accompanying narrative analysis is of limited value. RHUDO/PSA (via LATC) prepared a more rigorous evaluation on the two seminars at which it was represented.

One source of information for seminar evaluations is the reports that participants ultimately prepare for their own institutions upon their return to their jobs. These reports give an indication of the perceived value of the seminar to that participant and of the kinds of policy or study follow-up that may be pursued.

There are differences in development problems, resources, and institutions among Central and South American countries. There are, however, enough common issues representing PRE/H interests that **RHUDO/CA's regular and vital contribution of identifying training needs and refining INCAE seminar subjects should be undertaken with more collaboration with RHUDO/PSA.**

Although the differences between Central and South American countries are great, **the possibility of INCAE offering housing and urban development seminars for countries outside of Central America should be considered. Participants at the kinds of seminars INCAE has provided under this Agreement needn't come from South American countries. However, RHUDO/PSA (and its Latin American Training Center) could collaborate with INCAE on seminars for individual South American countries in which RHUDO/PSA has interests.**

10. Regional or national seminars. Regional seminars provide the opportunity of sharing and learning from the experience of neighboring countries, as well as establishing important institutional and personal relationships. Regional seminars are appropriate for topics for which there is a clear common base of problems, experiences, and even possible solutions. Technical subjects such as urban land development, or skills training such as for microcomputer use lend themselves to regional seminars.

National seminars provide the best opportunity to learn about more immediate and relevant issues in one's own country. One seminar participant, for example, learned that a municipality similar to his own was experiencing land invasions; as a result of the national seminar, he now feels more prepared to handle the problem when it evolves in his town, as it inevitably will. In addition, national seminars bring together institutions and individuals, from the private and public sector, that must collaborate on common issues outside the seminar. The two topics that have emerged as the most important - housing finance and municipal development - are best taught on a national rather than regional level.

As a general rule, all seminars should be offered as national seminars unless the topic is clearly so broad (e.g. national housing policy) or so narrow (e.g. microcomputers, design techniques) that a regional approach to its teaching will not be regarded by the participants as irrelevant to their needs.

11. Seminar follow-up. At the conclusion of each seminar the focus turned to the next steps that participants and their institutions might pursue. Invariably, the participants requested technical assistance for their specific needs, frequently asking that the INCAE faculty work with them directly. Such assistance is not in the scope of the INCAE/RHUDO Agreement, yet to the extent that very discrete and immediately useful assistance can be provided, RHUDO should consider financing technical assistance at that time. For a pilot project, for instance, RHUDO and INCAE could select one municipality to work with, identifying and responding to its training requirements through INCAE or other appropriate institutions (e.g., IFAM, in Costa Rica). One would expect such focused training to have a positive impact on that municipality's development. This would take advantage of the training momentum, and potentially be a mechanism that advances and solidifies RHUDO's agenda.

On a more informal basis, the follow-up that naturally occurs after such seminars - the personal and institutional networking that takes place - is also important, and free, and should be encouraged.

12. Training in institutions of participants. Staff and management training is a well-recognized need by the institutions which were represented at the seminars. The attitudes of high- and middle-level officials toward the usefulness of training as a development tool were reinforced. Few of these institutions, however, have the resources or even a designated person to promote training in the organization. As a general rule, therefore, the institutions are enthusiastic supporters of these seminars. The institutions expect more from the seminars than that their staff learn about new subjects. They see also that professional networking is greatly enhanced by the seminars. The institution's ability to communicate with its client groups is improved.

13. Written material. For each seminar, the participant was provided with a thick, full loose-leaf notebook of articles, papers, speeches, notes, and of course, case study materials. This material represents an enormous quantity of relevant material that unfortunately loses much of its usefulness at the seminars' end. INCAE should collect and organize these documents by broad subjects and specific issues. A cross-indexed, annotated bibliography should be prepared (and updated on a regular basis) so that seminar participants and their colleagues who did not attend the seminar can readily use the material. Such a reference bibliography would also be useful for other RHUDO purposes.

Annex A: RHUDO/CA Training Plan (from May 1987 draft of the Latin American Regional Training Program of RHUDO/CA and RHUDO/PSA)

The major training effort of the RHUDO for Central America is related to the CABEI Project. This project seeks to increase the availability of shelter and infrastructure services, working through the Central American Bank for Economic Integration (CABEI). The project aims to strengthen the capacity of CABEI at a regional level, as well as national public and private institutions to provide these shelter solutions and urban services.

The training is designed, along with technical assistance, to ensure project success in achieving its production targets, and in expanding the capability of regional and national institutions which will be required in subsequent years. Hence, training in the Centeral America region will focus on improving project implementation and the knowledge and skill levels of shelter and urban development professionals and their respective institutions. This will result in a dramatic increase in the number of trained professionals and an institutionalization of these improvements.

Training Approach: Training will focus on policy issues and the development of the participating institutions, primarily regarding their administrative and financial organization and management. Most of the training courses will be held at a national level, and will be designed to meet the specific development situation of each country and the needs of its participating institutions. This national focus for the training is important because of the major differences in the development situation in each country and the variety of institutions involved. It also permits a more directed policy dialogue, to respond to each individual Mission and country objectives.

National training activities will be implemented by regional seminars, held annually. These regional events will allow the representatives of national implementing agencies to compare experiences, jointly evaluate problems and opportunities, and establish priorities for the following year's training and technical assistance program.

Sustained implementation support will be provided to CABEI throughout the project period, through seminars and workshops focused on key internal policy issues, on its administrative and financial management systems and on issues related to implementation problems with participating national institutions.

First year training activities will be based on an analysis of national shelter and urban development policy and operational constraints, and directed at the joint development of project implementation objectives and strategies with each participating institution. Based on implementation experience, second year training activities will be designed to support the resolution of priority policy and operational problems identified by each institution. During the third year, training will be further focused on individual institutional development and provide the basis for institutional consolidation efforts during years four and five.

Training and technical assistance are mutually complementary in helping to modify policies and improve institutions. Training will be accompanied by a thorough technical assistance program. Technical assistance will:

- improve national housing finance systems and private financial intermediaries through policy and operational improvements;
- improve the capability of private sector developers to plan and implement low-cost housing projets;
- improve the cost recovery rate for both public and private institutions;
- consolidate and strengthen the private sector role and capacity in housing finance and production;
- help convert preliminary infrastructure project proposals into actual projects and loan agreements;
- establish capacity for future project development, project evaluation and policy dialogue;
- streamline CABEI project review, with the establishment of field supervisory operations and the delegation of project supervision to the national level;
- assist CABEI and participating national institutions to esablish systems and procedures and capacity for carrying out environmental assessments for proposed programs and projects; and
- aid implementing institutions in such matters as cost-recovery and revenue collection techniques, tariff structuring, application of betterment levies, automated billing and the like.

Provision of Technical Assistance: Technical assistance will take two forms: short term experts and long term resident advisors. The three long term resident advisors attached to the RHUDO/CA will include: Urban Development Advisor; Housing Finance Advisor; and a Training Coordinator. A fourth expert in betterment taxation, will be assigned to work with the Municipality of Guatemala and will be available for consultations in the region.

Annex B: Seminars

1. **Housing Strategies.** The first seminar under the Agreement was a regional one entitled Housing Strategies, presented in Costa Rica January 20-22, 1986. The objectives of the seminar were to provide decision-makers with a broad overview of issues confronting housing and urban development, to instill a sense of the role housing and urban development can play in stimulating economic growth, to provide participants with technical knowledge, and based on participant suggestions, to more clearly define RHUDO's training and technical assistance objectives. Seminar topics included: Economic Perspectives on Central America, Housing and Urban Development Policies in Central America, Financing of Housing in Central America, Municipal Development in Latin America, and Experiences in Urban and Municipal Development in Ecuador.

The seminar was attended by 31 participants from Guatemala (4), Honduras (14), El Salvador (7), Costa Rica (4), and Panama (2). Nineteen participants were from private sector institutions such as construction associations (developers and builders), cooperatives, and savings and loan associations. Twelve participants came from the public sector institutions such as national institutions, housing agencies, and local governments.

The staff consisted of three full-time INCAE professors (N. Ramírez, J. Ramírez, de Guzmán) and three persons used by INCAE at RHUDO's suggestion (Arington, Lasa, S. Ramírez). In addition, four AID staff or contractors attended as observers.

2. **Housing Finance.** The first national seminar on Housing Finance was offered in Guatemala May 29-30, 1986. Its objectives were a) to analyze the housing finance framework, identifying current opportunities and obstacles; b) to identify principal housing finance problems, particularly in Guatemala; and c) to identify policies and alternative housing finance solutions.

There were 20 participants from the public sector--regional and national financial institutions, regulatory agencies, ministries. The 18 participants from the private sector represented real estate and construction companies, development foundations, private banks, and housing and construction associations. In addition, five AID representatives attended.

Three of the four faculty were permanent INCAE professors (Montiel, Rodríguez, N. Ramírez); the fourth was a RHUDO-recommended consultant (Lasa).

3. **Municipal Development.** The first of three national Municipal Development strategy seminars was offered in Guatemala from September 30 to October 3, 1986. The seminar was attended by 63 persons--nearly every departmental governor and department capital mayor as well as representatives from several national institutions.

All four seminar faculty were permanent INCAE professors (Ickis, Sacasa, de Guzmán, Gómez).

4. **Housing Finance.** The second national Housing Finance seminar was held in Honduras October 23-24, 1986. Twenty-seven participants came from national finance institutions, ministries, savings and loan associations, foundations, housing promoters, and construction associations. Thirteen participants were from the private sector; fourteen were from the public sector. In addition, AID was represented by eight staff members or contractors.

The faculty consisted of three permanent INCAE professors (Montiel, N. Ramírez, Cossani) and one RHUDO-recommended consultant (Lasa).

5. **Municipal Development.** The first of two national Municipal Development seminars in Costa Rica was held December 15-17, 1986. The objectives of the seminar were fourfold: to jointly identify obstacles and to develop strategies to promote municipal development; to familiarize participants with conceptual frameworks and analytical tools to improve their decision-making capacity; to analyze through case studies initiatives Costa Rican municipalities have taken; and to clarify the role municipalities can play to help achieve national development objectives. There were 58 participants--33 from local governments, 19 from national ministries and institutions, and six from national and regional banks. AID was represented by three staff or contractors.

All three professors were from the INCAE permanent faculty (de Guzmán, Sacasa, Cómez).

6. **Alternative Mechanisms for Mobilizing Resources for Housing.** A regional seminar on this topic was held March 19-20, 1987 in Costa Rica. There were 52 participants at this seminar--from Costa Rica (22), El Salvador (10), Guatemala (9), and Honduras (11). In addition, AID was represented by three staff or contractors. The public sector was represented by 16 persons from local governments and national institutions; the 22 people from the private sector represented development foundations, construction associations, and savings and loan associations. Twelve more represented parastatal credit institutions.

Three of the professors were from INCAE (Montiel, Camacho, Poyo). RHUDO provided two lecturers--a staff person (Lombardo) and an outside consultant (Claire).

7. **Municipal Development.** The second of two national Costa Rica seminars on Municipal Development was held March 22-25, 1987. Fifty-four participants represented local governments and national institutions involved in municipal improvement. The three professors were all permanent INCAE faculty (de Guzmán, Cómez, Sacasa).

Annex C: Persons Interviewed

1. Seminar Participants

Honduras

Manuel Gutiérrez, Gerente General
FUTURO, Asociación de Ahorro y Préstamo, S.A.

Ing. Mario Raul Pinto E., Gerente General
Instituto de la Vivenda (INVA)

Marcial Flores, Subdirector Ejecutivo,
Fondo de la Vivienda (FOVI)

Pompilio Torres L., Gerente General
Federación Houndureña de Cooperativas de Viviendas, Ltda.

Arq. Carlos Aguirre, Director de Plan Territorial y Vivienda
Ministerio de Planificación

Arq. Eduardo A. Pérez, Director en Honduras
The Cooperative Housing Foundation

Costa Rica

Jorge Arce C., Vice-Presidente Ejecutivo
Oficina de Vivienda Industrial, S.A. (OVI)

Arq. Miguel Wong, Asesor
Ministerio de Vivienda y Asentamientos Humanos

Oscar Benavides, Asistente
Ministerio de Vivienda y Asentamientos Humanos

Harry Jager, Director Ejecutivo
Instituto de Fomento y Asesoría Municipal (IFAM)

Lic. Carlos Eduardo Vargas B., Subdirector, Departmento de Operaciones
IFAM

Gerardo Rodríguez, Asesor Municipal, IFAM

Javier Ureña, Subdirector, Departmento de Asistencia Técnica, IFAM

Ana Baviera, Asesor Municipal, IFAM

Luis Salas, Mutual Cartago

Rodridgo Hernández, Ejecutivo Municipal, Alajuela

Adrian Barquero, Presidente Municipal, Grecia

Jorge Luis Hidalgo, Ejecutivo Municipal, Grecia

Omar Hernández, Presidente Municipal, Guatuso

Jose Luis Villegas, Asistente del Ejecutivo Municipal, Guatuso

Antonio Camacho, Presidente Municipal, Heredia

Arturo Calderón, Ejecutivo Municipal, Cartago

Francisco Murillo, Presidente Municipal, Poás

Raul Gómez Chaves, Contador Municipal, Poás

Nelson Barrantes N., Ejecutivo Municipal, Poás

Victor Eduardo Murillo Rodríguez, Regidor, Poás

Guatemala

Lic. Jorge F. Franco S., Gerente
Cámara Guatemalteca de la Construcción (CGC)

Lic. Fausto Vicente Girón López, Subgerente Administrativo
Instituto de Fomento de Hipotecas Aseguradas (FHA)

Lic. Antonio Santamaría M., Departamento de Créditos
Banco de Guatemala

Arq. Rafael Escobar Donis, Presidente Ejecutivo
Banco de Vivenda (BANVI)

Ing. Ana Lucía Obiols, Director, Unidad Ejecutora
Municipalidad de Guatemala

2. Instituto Centroamericano de Administración de Empresas (INCAE)

Marc Lindenberg, Rector
Alberto de Guzmán, Programa Gerencia para el Desarrollo
Julio Sergio Ramírez, Director, Programa Gerencia para el Desarrollo

3. Agency for International Development

PRE/H

Barbara Foster, Training Advisor

RHUDO/CA

Lee Roussel, Chief
Alexandria L. Panehal, Regional Housing Officer
Joseph Lombardo, Regional Housing Officer
Joseph E. Arington, Urban Development Advisor
Roy Hilerman, Housing Finance Advisor

USAID/Costa Rica

Jeffory G. Boyer, Housing and Urban Development Officer

Annex D: Partial List of Materials Reviewed

Project Paper: Central American Shelter and Urban Development (ROCAP), September 1986

Evaluation and Recommendations on the Latin American Training Center (Hoek-Smit and Bordenave for PRE/H), August 1985

An Evaluation of East and Southern Africa RHUDO Training (Hoek-Smit and Bordenave for PRE/H), September 1986

Plan de Trabajo para el Programa de Capacitación Regional en Desarollo Urbano y Vivienda (INCAE), February 1986

Strategy and Plan for INCAE Training and Technical Assistance for Shelter and Urban Development (PADCO), August 1985

Training Strategy for Shelter and Urban Development (PRE/H), October 1986