

A.I.D. EVALUATION SUMMARY PART I

(BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS)

IDENTIFICATION DATA

A. REPORTING A.I.D. UNIT. USAID/ECUADOR <small>(Mission or AID/W Office)</small> (ES/ ESEC-005)	B. WAS EVALUATION SCHEDULED IN CURRENT FY ANNUAL EVALUATION PLAN? yes <input type="checkbox"/> skipped <input type="checkbox"/> ad hoc <input checked="" type="checkbox"/> Eval. Plan Submission Date: FY ___ 0 ___ N/A	C. EVALUATION TIMING Interim <input type="checkbox"/> final <input checked="" type="checkbox"/> ex post <input type="checkbox"/> other <input type="checkbox"/> PL-1-A-2-688 15063275			
D. ACTIVITY OR ACTIVITIES EVALUATED (List the following information for project(s) or program(s) evaluated: If not applicable, list the end date of the evaluation report)					
Project #	Project/Program Title <small>(or title & date of evaluation report)</small>	First PPOAG or equivalent (FY)	Most recent PACD (mo/yr)	Planned LCP Cost (000)	Amount Committed to Date (000)
518-0048	Technical Training for the Financial Sector	1984	08/89	469	469

ACTIONS

E. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR <p style="text-align: center;">Actions Required</p> <p>On May 5, 1989, the Mission replied to a no-cost extension request sent by IPBF stating that AID considers that the main objective of the project, - to strengthen the institutional capacity of IPBF to carry out training activities for the financial and banking sector - has been satisfactorily fulfilled and the project can be considered to be successful. It is now up to the IPBF to consolidate this effort and to obtain a bigger support from the banking sector to reach its goal of solidness and self-sufficiency. The Mission has decided not to extend this project beyond its current PACD.</p> <p>As for the recommendations of the evaluation, we have been verbally advised by the IPBF that actions have been taken on most of them and continuous effort is being given towards fulfilling all of these.</p>	Name of officer responsible for Action	Date Action to be Completed
(Attach extra sheet if necessary)		

APPROVALS

F. DATE OF MISSION OR AID/W OFFICE REVIEW OF EVALUATION: mo 04 day 26 yr 89

G. APPROVALS OF EVALUATION SUMMARY AND ACTION DECISIONS:

	Project/Program Officer	Representative of Borrower, S. Author	Evaluation Officer	Mission or AID/W Office Director
Signature Typed Name	<i>[Signature]</i> Susana W. de Navas	<i>[Signature]</i> Marcela Espinosa	<i>[Signature]</i> Sandra Egles	<i>[Signature]</i> Frank Almaguer
Date:	Date:	Date:	Date:	Date:
			<u>6/20/89</u>	<u>6/23/89</u>

Witnesses: Rumbi Arellano, *[Signature]* 6/20/89 Patricio Maldonado, PPD *[Signature]* 6/23/89

H. EVALUATION ABSTRACT (do not exceed the space provided)

- 1.- Purpose of the Activity Evaluated:
The purpose of the project is to support the development of the Instituto de Prácticas Bancarias y Financieras (IPBF), a private training center designed to satisfy the training and education needs of financial sector institutions.
- 2.- Purpose of the Evaluation and Methodology Used:
The purpose of the mid-term evaluation was to assess the achievement of objectives, purposes, strategies and results specified in the agreement between IPBF and AID. The methodology utilized: a) data processing of information available in the IPBF; b) a survey among executives responsible for strategic areas in the development of human resources in the financial sector; c) a survey of ex-participants of IPBF courses; d) sampling of 32 area managers and 54 ex-participants.
- 3.- Findings and Conclusions:
- The IPBF fulfilled the objective of strengthening the institutional basis for growth and development in Ecuador.
 - The project purpose has been fulfilled, given that all activities performed have been oriented toward satisfying an important portion of the training and education needs of the financial sector.
 - The strengthening of the training program of the IPBF through design and implementation of a study program supported by research and diffusion, is being fulfilled through research and case studies.
 - The supervision and coordination of all activities have been adequate.
 - As regards to "promoting the support of the private sector by establishing mechanisms that will enable the direct and continuous participation of the private financial sector in the development and expansion of the study program and other activities of the IPBF", the link to the private sector has been mainly based on the participation of their employees in courses given by the IPBF.
 - IPBF has still not been able to achieve financial self-sufficiency.
4. Principal Recommendations:
- Give more emphasis to the research effort, which constitutes a real and important input from the IPBF to the banking sector.
 - Continue with the international program, even though it does not provide a significant source of income and it depends largely on AID funds.
 - A gradual decrease of AID support is recommended, so that in a medium term, it can be totally eliminated.
 - Project the permanent establishment of a branch of IPBF in Guayaquil and consider opening a branch in Cuenca in the medium term.
 - To attain financial self-sufficiency, an increase in the number of participants in the international program is recommended, as well as elimination of some expense items that are actually financed by AID and that could be assumed by the IPBF.
 - Try to obtain an economic support from those associations grouping most of the institutions that are benefitted by IPBF programs.
 - We recommend a revision of the "programa de especialización financiera", as it is not producing the expected results.
 - Take into consideration the suggestions given by those surveyed in this evaluation, as they reflect a valid and concrete vision of IPBF activities.

I. EVALUATION COSTS

1. Evaluation Team		Contract Number <u>CR</u> TDY Person Days	Contract Cost <u>CR</u> TDY Cost (US\$)	Source of Funds
Name	Affiliation			
Dr. Santiago Quevedo	- I.E.S.O.P			
Ing. Miguel A. Niño	- same	7 weeks (*)	S/500,000 or US\$1,000	Instituto de Prácticas Bancarias
Adm. Carlos Quevedo	- same		(Exchange rate: 1US\$ = S/500)	

(*) Evaluation paid and contracted by the grantee.

2. Mission Office Professional
Staff Person-Days (estimate) 0

3. Borrower/Grantee Professional
Staff Person-Days (estimate) 3 persons

A.I.D. EVALUATION SUMMARY PART II

J. SUMMARY OF EVALUATION FINDINGS, CONCLUSIONS AND RECOMMENDATIONS (Try not to exceed the 3 pages provided)
Address the following items:

- Purpose of activity(ies) evaluated
- Purpose of evaluation and Methodology used
- Findings and conclusions (relate to questions)
- Principal recommendations
- Lessons learned

Mission or Office: _____

Date this summary prepared: _____

Title and Date of Full Evaluation Report: _____

1.- Purpose of the Activity Evaluated:

The purpose of the project is to support the development of the Instituto de Prácticas Bancarias y Financieras (IPBF), a private training center designed to satisfy the training and education needs of financial sector institutions. The project will benefit private and public financial institutions by enhancing the professional skills and performance of their personnel. The goal of the project is to strengthen the institutional basis for growth and development in Ecuador by improving the operational efficiency of public and private sector financial institutions.

2.- Purpose of the Evaluation and Methodology Used:

The general purpose of this mid-term evaluation was to assess the achievement of objectives, purposes, strategies and results specified in the agreement between IPBF and AID. In addition, the Executive Director of IPBF requested the evaluation of other specific objectives to measure the degree of acceptance that IPBF has attained within the financial sector.

The methodology utilized was adequate to satisfy the various specific objectives. The techniques employed were the following: a) data processing of information available in the IPBF; b) a survey among executives responsible for strategic areas in the development of human resources in the financial sector; c) a survey of ex-participants of IPBF courses; d) sampling of 32 area managers and 54 ex-participants.

3.- Findings and Conclusions:

3.1 With regard to the general objective of "strengthening the institutional basis for growth and development in Ecuador by improving the operational efficiency of public and private sector financial institutions", it was concluded that the IPBF has fulfilled this objective. During the period covered by this evaluation, 46 courses have been organized for the various financial sub-sectors, such as banking, financieras, mutualistas and insurance. Participants came from various levels of management and from different geographic locations within the country.

3.2 Regarding the project purpose, "to support the development of the Instituto de Prácticas Bancarias y Financieras (IPBF), a private training center designed to satisfy the training and education needs of financial sector institutions", it was concluded that the training and education needs of the financial sector in Ecuador are so extensive and complex that it would be impossible for the IPBF to respond to each one of these requirements and to the multiple institutions which make up the financial sector. However, for the reasons mentioned in point 3.1, as well as for those mentioned further on, it is possible to state that the project purpose has been fulfilled,

given that all activities performed have been oriented toward satisfying an important portion of the training and education needs of the financial sector.

- 3.3 Regarding the objective of "strengthening the training program of the IPBF through design and implementation of a study program supported by research and diffusion", this is being fulfilled through the development of research and case studies to support the training program. However, this line of work offers a great potential for future action.
- 3.4 With regard to "supporting this effort through activities of technology transfer, by means of training local instructors abroad and hiring foreign experts to dictate courses in the country", this objective has been fulfilled mainly through the participation of foreign instructors and professors who have given courses in different types of situations, that is, courses only with foreign instructors and mixed courses with local instructors.
- 3.5 Regarding the coverage of activities of the IPBF, its levels of training, the number and training of local instructors, and the training of the administrative personnel necessary to efficiently supervise and coordinate all IPBF activities, we can conclude that operational activities of IPBF include Quito, Guayaquil and Cuenca. In addition, courses have taken place in Ibarra and Salcedo. Levels of training have included open and private courses, conferences, seminars and special programs addressed to all levels of management. Also, according to IPBF data, there are 46 local instructors who have been adequately trained to continue with programmed courses. The supervision and coordination of all activities have been adequate.
- 3.6 As regards to "promoting the support of the private sector by establishing mechanisms that will enable the direct and continuous participation of the private financial sector in the development and expansion of the study program and other activities of the IPBF", we can conclude that during this rating period, the link to the private sector has been mainly based on the participation of their employees in courses given by the IPBF.
- 3.7 Regarding the objective of "evaluation of the self-sufficiency level of IPBF, as well as the level of dependence on AID's support for international programs, and the future planning of this aspect", we can conclude that IPBF has still not been able to achieve financial self-sufficiency. AID is supporting 64.90% of the international program, which means that this is the main income source for IPBF in this important program which has the greatest impact in its potential beneficiaries.
- 3.8 Regarding the fulfillment of "training of 2,500 persons and conducting 100 events until the termination date of the project", IPBF has already trained 3,418 persons in 141 events.
- 3.9 In relation to "learning the opinion of ex-participants, area managers of the different sub-sectors and gather suggestions from instructors, participants, area managers and institutions with which IPBF has worked", opinions were as follows: increase number of courses, increase duration of courses, give more emphasis to the practical side of courses with examples from the Ecuadorian situation, improve didactic material, improve the level of local instructors, and obtain an equilibrium in the development of activities in Quito and Guayaquil.

4. Principal Recommendations:

- 4.1 Give more emphasis to the research effort, which constitutes a real and important input from the IPBF to the banking sector, besides demonstrating the efforts and interests of the IPBF within the environment in which its activities are developed.
- 4.2 Continue with the international program, even though it does not provide a significant source of income and it depends largely on AID funds. However it does constitute one of the major impacts that IPBF can offer to the financial sector, and therefore, it is recommended to maintain the economic support of AID.
- 4.3 A gradual decrease of AID support is recommended, so that in a medium term, it can be totally eliminated once IPBF is capable of absorbing the total cost of the international program utilizing the income generated by local programs and the increase in the number of participants in each course.
- 4.4 Project the permanent establishment of a branch of IPBF in Guayaquil in view of the fact that training needs in the banking sector in that city are potentially increasing, and would result in a prompt recovery of the investment required to establish such an office.
- 4.5 Also, IPBF should consider opening a branch in Cuenca in the medium term, as this is the third largest city in the country and an important sector of bank and industry is located there. Cuenca has benefitted to a lesser degree from IPBF training courses.
- 4.6 In order to attain financial self-sufficiency, an increase in the number of participants in the international program is recommended, as well as elimination of some expense items that are actually financed by AID and that could be assumed by the IPBF. It would not be advisable to increase the individual fee paid by each participant per course.
- 4.7 It would be advisable to try to obtain an economic support from those associations grouping most of the institutions that are benefitted by IPBF programs (Association of Private Banks, Association of Financieras of Ecuador, Association of Mutualistas, etc.).
- 4.8 We recommend a revision of the "programa de especialización financiera", as it is not producing the expected results both from an economic point of view and from the number of participants that have attended the various modules.
- 4.9 Take into consideration the suggestions given by those surveyed in this evaluation, as they reflect a valid and concrete vision of IPBF activities.

K. ATTACHMENTS: All attachments submitted with this Evaluation Summary, always attach copy of full evaluation report, even if one was submitted earlier.

Evaluation Report attached.

L. COMMENTS BY MISSION, AID/W OFFICE AND BORROWER/GRAANTEE

The Instituto de Prácticas Bancarias submitted a proposal for a two-year no-cost extension of the project, but after several meetings, the Mission decided not to extend this project beyond its August, 1989 PACD.