PD-ABA-039

CENTRAL AMERICA

EDUCATION
FIELD
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CONTRACT

MID-TERM EVALUATION: EDUCATION DEVELOPMENT CENTER CONTRACT TO PROVIDE SHORT TERM TECHNICAL TRAINING IN THE U.S. FOR CINDE/PROCAP

A contract between the U.S. Agency for International Development (LAC/DR/EST) and The Academy for Educational Development and subcontractor Juarez and Associates, Inc. Contract No. LAC-0000-C-00-6074-00.

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MID-TERM EVALUATION

EDUCATION DEVELOPMENT CENTER CONTRACT TO PROVIDE SHORT TERM TECHNICAL TRAINING IN THE U.S. FOR CINDE/PROCAP

Prepared for USAID/COSTA RICA
PROJECT 525-0212

by

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EXECUTIVE SUMMARY

Purpose of the Activities Evaluated

The activities evaluated intend to stimulate the growth of non-traditional Costa Rica exports by developing human resources from the private, financial, and university sectors through providing short-term technical training in the United States. They are part of a larger project which contains two other components: long-term technical training in the United States and training in Costa Rica. The project goal is to stimulate growth in the production of non-traditional goods and services, resulting in increased levels of employment and foreign exchange earnings for Costa Rica. The project purposes are 1) to strengthen the human resources which are needed for Costa Rican private sector development through a program of selected training activities, 2) develop an institutional capability for the provision of a range of training programs to Costa Ricans in private enterprises, banking, and in institutions of higher learning, 3) improve the critical support functions and the quality of professional level manpower (banks and universities) necessary for the private sector if the latter is to become an active, competitive participant in international markets.

Purpose of the Evaluation and Methodology Used

This initial mid-term evaluation is a contractual requirement for an annual progress assessment to compare what was achieved with what was planned, reassess assumptions underlying the project, and recommend actions. Evaluation scope of work specified a focus on the U.S. contractor and consideration of issues related to achieving project goals/targets, contractor management efficiency, and adequacy and appropriateness of the training.

Evaluation methodology used in person interviews with U.S. contractor personnel, review of project documents, interviews with training providers, interviews with USAID and CINDE/PROCAP staff, direct observation of training activities, and interviews with returned participants. Given the short time since programs have been completed, effectiveness and impact were assessed by documenting specific changes in participant firm behavior identified as resulting from training and judgementally considered to have the potential for meaningful export enhancement. Evaluations of the financial impact of training were derived based on management estimated costs and payback period.

Findings and Conclusions

A. Output Goals

After 60% of contract duration, performance to date indicates

that 33% of the overall participant number goal and 17% of the participant month goal has been achieved. The pace of activities is increasing. Estimates are that by contract end 88% of the targeted participant numbers and 47% of the targeted participant months will be completed. As a consequence, $300,000 to $400,000 of training program budget may be unspent. Four factors appear to account for these variances: 1) The consequences of compressing what was designed as a 5 year project into 2, with little reduction in output targets. 2) A very unrealistic assumption of average program duration (6 weeks). Participants targeted find it quite problematic to be away much more than 3 weeks. 3) Difficulties in developing training programs that are responsive to the expressed needs, changing environment and preferences of the financial sector. No such programs have been completed, and few are anticipated. 4) Longer than anticipated time for Training Implementation Plan (TIP) development, resulting from both the nature of the training delivered and contractor operations.

B. Management Efficiency

Overall CINDE/PROCAP training strategy is well conceived, viable, highly consistent with project purposes, and rigorously employed as a guide for implementation. Costa Rican-based tasks of training needs assessment, selection of appropriate participants, and pre-departure arrangements are well done, resulting in high degrees of participant satisfaction.

TIP development time by the contractor has exceeded contract specified maximums in several cases. Contributing factors include insufficiently detailed training requests, a narrow range of proposed training modes emphasizing programs most time consuming to develop, limited contractor utilization of potential suppliers, and time consuming involvement of project planner and project manager in program implementation tasks.

Programs developed to date do not reflect the full range of training activities that are available and appropriate. Broader contractor vision of acceptable alternatives to remove needless, self-imposed programming constraints would enhance efficiency and impact. Quality of training developed to date has been very good. Appropriate sites and training institutions are providing well developed, highly customized, well designed programs. Participant evaluations suggest high levels of satisfaction with training delivery, and exceptionally attentive logistical management.

Training program cost effectiveness could be improved if some logistical details, and program delivery activities were included in the training supplier's scope of work, instead of being performed directly by the contractor.

The contractor devotes substantial time, effort, and cost to end of program training evaluation. Instrument quality and delays in

analyzing results obviate much of the effort, however. Long-term impact evaluation, properly done in Costa Rica, received little attention in the project paper. Outside assistance is required to develop necessary methodology, baseline data, instrumentation, and implementation.

Overall project management is appropriate for its nature. Simple management information system indication of participant numbers, months, and costs per training months, all comparing actual to budget, are not utilized to the extent possible for analysis and planning. Participant month training costs exceed contract and RFP targets, in part explained by the more expensive nature of the training developed to date.

C. Training Impacts

Training is exceptionally appropriate and developed to the right people, at the right time, in the right way. Beneficiary satisfaction is quite high, indicating that recipients expectations are met. Returning participants report an average of 6.4 actual changes in firm activities as a result of the program that are judged to contribute meaningfully to export activity. Participants estimate that relevant costs are received in 3.7 months through increased firm sales or productivity.

D. Contract Extension

Extension of activities for a minimum six month period is justified by the initial compressed time frame for reaching goals, the ongoing continuation of the larger project of which this is a part, the likely availability of unexpended funds, retention of developed institutional capabilities, and continuing need for the high quality training impacts being delivered.

Principal Recommendations

A. Output Targets

1. Maintain current output goals, but drop participant months as a programming standard. Adjust participant month cost standards to a range $3,600 - $4,400 and employ this standard in program design.

2. Reattempt financial sector programming using a variety of training modes (primarily internships) that are more responsive to expressed participant preferences. After two months reallocate unexpended funds to other sectors and manage targets on a program basis.

3. Develop and closely monitor key status indicators to adjust

plans.

B. Training Management

1. Broader training modes to include a variety of programs emphasizing individualized, hands-on activities and a wider range of training sites and institutions.

2. Utilize project planner time to perform program development, supplier contacts and administrative activities in line with those stated in the technical proposal.

3. Cut down, eliminate, or contract to the training supplier project monitoring, instruction, evaluation implementation, and field visits carried out by project planner and manager.

4. Implement a simple system for continuously monitoring project status.

5. Extend project activities and the EDC contract for a minimum of 6 months and a maximum of one year, depending on funding availability and increased program output.

C. Training Impact

1. Develop more detailed methodologies and procedures to obtain necessary long range impact evaluation data.

Lessons Learned

1. Private sector oriented training programs are often best managed by businesslike private sector organizations, directly responsive to the business community. This facilitates a common training perspective, and rapid communication with a natural, receptive constituency. Focused, specialized programs of immediate practical use to businesses are especially likely to result.

2. Training programs aimed at the private sector must be responsive to the time constraints and expressed learning needs of practicing business people.

3. A carefully conceived, shared training strategy identifying overall purposes, appropriate participant targets, and desired training methods is essential for obtaining high impact.

TABLE OF CONTENTS

	Page
Executive Summary	i
Report:	
A. Evaluation Purpose	1
B. Project Context	2
C. Achieving Goals/Targets of Project	
Findings	4
Conclusions	12
Recommendations	26
D. Training Management	
Findings	29
Conclusions	45
Recommendations	47
E. Adequacy and Appropriateness of Training	54
Appendices	

A. EVALUATION PURPOSE

The overall purpose of this report is to provide a mid-point evaluation of the activities undertaken pursuant to contract number LAC-0210-C-00-8021, Short Term U.S. Training for Private Sector Development Under the Costa Rica Training for Private Sector Development Program. As such the report's general objective is to assess the methods employed and results achieved to date in relation to the stated purposes and outputs desired at the end of the contract. The specific mandate for the evaluation is based on a requirement in the contract (page 24) that:

> There will be an annual progress assessment by an outside contractor. This assessment will be based on information from project staff records and limited interviewing of participants. The aim will be:
>
> - To compare what was planned with what was achieved, in terms of inputs, outputs, methodology and progress toward end-of-project status. Contractor and participant reports will be used in these evaluations.
>
> - To review and reassess assumptions underlying the project and plan for the balance of the project.
>
> - To recommend to CINDE and the contractor any action required to correct weaknesses identified and ensure timely progress toward the desired end-of-project status. The contractor is expected to comply with these modifications if concurred in by CINDE/PROCAP and USAID/Costa Rica.

As a mid-term review the scope of this analysis is naturally limited, focusing primarily on 1) short term U.S. training, 2) contractor performance as a supplier in providing services for CINDE/PROCAP and 3) the interrelationships of all project participants in contributing to project performance.

The Scope of Work governing the evaluation is provided in Appendix A. The workscope identifies eleven specific questions grouped around three broad issues:

1. Achieving Goals/Targets of the Project
2. Management Efficiency
3. Adequacy and Appropriateness of the Training

For clarity of presentation the body of this report is organized into sectors around these three issues. Within each section the general format of presenting findings, conclusions, and recommendations is followed. As indicated in the discussion, recommendations offered are of three types:

1. Recommendations for specific corrective actions based on evaluation findings. These recommendations generally are relatively easy to implement and represent operating adjustments to ongoing activities.

2. Recommendations for alternative solutions based on an array of possibilities or options drawn from the experience of the training program to date, the lessons learned in other comparable training projects, and the general experience of the evaluators.

3. Overall global project design and conceptual recommendations which are at the level of lessons learned for either strategic planning or future project development.

B. PROJECT CONTEXT

The activities examined in this report are but one part of the larger project, USAID/Costa Rica Project 515-0212, Training for Private Sector Development. The purpose of this project is to strengthen the human resource base needed for Costa Rica private sector export expansion development though a program of selected training activities. The Project Paper approved on June 28, 1984, and authorized by the Assistant Administrator for Latin America and the Caribbean in AID/Washington in August of that year, specified three distinct components of these training activities, in addition to project management activities:

1. Short term training in Costa Rica
2. Long term training in the United States
3. Short term training in the United States

Three target sectors are identified as training recipients under the CINDE/PROCAP cooperative agreement:

1. Private sector non-traditional exporters, (the Private Sector)
2. Central Bank staff and the staff of Costa Rican Bank Association member banks, (the Financial Sector)
3. University of Costa Rica, Technological Institute of Costa Rica and INCAE faculty, (the University Sectors). INCAE faculty receive long term U.S. training only.

A Cooperative Agreement and Memorandum of Understanding were signed between AID and PROCAP in September, 1984, and the initial disbursement occurred in February, 1985. The implementation of short-term U.S. training programs was delayed due to a series of complex and entangling issues which are beyond the scope of this present mid-term evaluation. Funding was suspended between June, 1985 and January, 1986. At that date an in-house evaluation led by AID Desk Officer Ron Nicholson recommended that PROCAP

concentrate on in-country training for industrial and agricultural investment and export promotion and that its role in U.S. participant training be reduced to identifying and preparing training candidates and following up on them upon their return. To implement this recommendation an RFP was issued by USAID/Costa Rica in April, 1987, seeking a U.S. contractor who would work with CINDE/PROCAP in the development of specific short term U.S. training programs, and assume responsibility for delivery of the training programs in the U.S.

A contract was awarded to Educational Development Center, Inc. (EDC), with an effective date of June 6, 1988, for activities concerned only with short-term U.S. training. EDC's contract terminates June 5, 1990. The PACD for the overall PROCAP Cooperative Agreement is September, 1991. Thus, this mid-term review takes place after approximately 14 of the 24 months (60 %) of the EDC contract has elapsed.

This specific background is especially relevant to the purposes of this report since, in the judgement of the authors, it establiches several constraints which are relevant to understanding project performance to date.

1. Time compression. The outputs specified in the project paper, RFP, and EDC contract are almost identical. The project paper, however, envisioned 5 years for their completion, while the RFP and contract allow two.

2. Disaggregated linkages. The project paper (page 18) explicitly envisioned all three overall project components (in-country, long term U.S., and short term U.S. training) as complementary, mutually reinforcing, and interdependent for overall project, and individual component, effectiveness. The present situation has resulted in out of phase, dissynchronous implementation. Short term in-country programs had been offered for about 3 years before short term U.S. training began. Moreover, what is essentially one training process is now a shared responsibility. This, at least in theory, has the potential to increase communication problems, complicate program management, delay programming response times, and reduce linkage benefits.

3. Retarded implementation. The 4 year time lapse between Project Paper approval and EDC contract award means that critical elements of the dynamic Costa Rican training environment may have changed in the interim between planning and implementation. Consequently, some planning assumptions may no longer be completely valid which, in turn, may necessitate operational flexibility.

All of these constraints were indentifiable at the time the EDC agreement was signed. Their existence, while not mitigating, contributes to understanding the environment in which contract

activities are carried out.

C. ACHIEVING GOALS/TARGETS OF THE PROJECT

Intended Outcomes, Findings

The logical framework, a copy of which is in Appendix B, for the overall project specifies that the goal of the project is:

> Stimulate growth in the production and exporting of non-traditional goods and services, resulting in increased levels of employment and foreign exchange earnings for Costa Rica.

The purpose of the project is:

> Strengthen the human resources which are needed for Costa Rican private sector development through a program of selected training activities.
>
> Develop an institutional capability for the provision of a range of training programs to Costa Rica in private enterprise, banking, and in institutions of higher learning.
>
> Improve the critical support functions and the quality of professional level manpower (banks and universities) which they must provide the private sector, if the latter is to become an active, competitive participant in international markets.

The specific operationalized U.S. short term training outputs specified in the RFP and the EDC contract coincide and set expectations for both the number of participants to receive training and the number of participant months (based on average program duration) of training to be provided. The following Table 1 abstracts key output expectations, based on EDC's best and final contract offer.

As the table indicates, goals for participant numbers, participant training months, and training person months per participant are the primary quantitative indicators for each of the three identified training sectors targeted. Financial/budget indicators are also specified. The project paper and RFP developed budget limits by assuming, according to AID guidelines, a standard, average cost per participant month for training in each sector. This figure was then multiplied by the number of participant months of training desired to obtain the training program budget for each sector. The cost negotiations in the contracting process resulted in a revised, mutually accepted cost per participant

month figure for each sector. These agreements became the basis for the final training budget for each sector. Achieving project goals is, thus, dependent on both processing the target number of participants for programs of the indicated average duration and also meeting average training month costs targets, so as to insure sufficient available funds to reach the outputs desired.

TABLE I

TRAINING FOR PRIVATE SECTOR DEVELOPMENT

EDC Best and Final Budgeted Outcomes

U.S. Short Term Training

		Life of Project Total
I. Private Sector		
A. Short Term Training		
1. Participants		238
2. Person Months (PM)		358
3. PM per Participant		1.5
4. Program Costs	U.S.$	922,016
5. Program Costs per Participant	U.S.$	3,874
6. Program Costs per PM	U.S.$	2,575
II. Financial Sector		
A. Short Term Training		
1. Participants		49
2. Person Months (PM)		89
3. PM per Participant		1.8
4. Program Costs	U.S.$	332,626
5. Program Costs per Participant	U.S.$	6,788
6. Program Costs per PM	U.S.$	3,737
III. University		
A. Short Term Training		
1. Participants		24
2. Person Months (PM)		31
3. PM per Participant		1.3
4. Program Costs	U.S.$	99,428
5. Program Costs per Participant	U.S.$	4,143
6. Program Costs per PM	U.S.$	3,207

IV. Project Totals

A. Short Term Training

1. Participants		311
2. Person Months (PM)		478
3. PM per Participant		1.54
4. Program Costs	U.S.$	1,344,070
5. Program Costs per Participant	U.S.$	4,322
6. Program Costs per PM	U.S.$	2,812

Source: Based on EDC Best and Final Response, synthesized by AID/Costa Rica.

Notes: 1. Total program costs, based on elements I,II, and III above, actually sum U.S.$1,354,070, not U.S.$1,344,070. However, the U.S.$1,344,070 figure corresponds to the amount independently reported by EDC and AID/Costa Rica, and, hence, is used here for the sake of comparability. Effects of this discrepancy on program costs per participant and program costs per PM are minor, decreasing both by less than 1 percent.

2. Program costs are only those directly related to U.S. training expenses, ie. instruction, U.S. internal travel, and participant maintenance. Administrative/overhead costs of AID, CINDE-PROCAP, and EDC are not included.

In terms of impact and reaching project goals, the number of participants and participant months of training are critical outputs. The goals for these activities specified in the EDC contract are:

Private Sector	238 Participants	358 P/Months
Financial System	49 Participants	89 P/Months
University System	24 Participants	31 P/Months
Total	311 Participants	478 P/Months

Information prepared by EDC at the request of the evaluators on July 14, 1989, indicates the following outputs to date, expressed in both absolute terms and as a percent of contract requirements.

Private Sector	87 Participants	(37%)	69.5 P/Months	(19.4%)
Financial System	0 Participants	(0%)	0 P/Months	(0%)
University System	15 Participants	(63%)	13 P/Months	(42%)
Total	102 Participants	(33%)	82.5 P/Months	(17%)

Percentage calculations are those of the authors. Necessary start up activities and lead times mean that output can not be uniform throughout project life. However, for approximate comparative purposes it can be noted that the duration of EDC's contract is roughly 60% completed. The performance to date indicates that 33% of the total participant placement goal and 17% of the total participant month goal has been reached.

Discussions with EDC personnel indicate that three issues related to output goals have emerged. The first issue deals with the relationship between levels of participant placement and payment of EDC's administrative and overhead costs. The EDC contract originally specified that administrative cost payments were to be linked to the amount of training provided, i.e. a stated sum per participant month of training delivered. After approximately 6 months of project activity EDC requested that this payment method be changed. The inability of participants to attend training programs for the 6 weeks average assumed in project design, possible reduced numbers of participants available for training, and start up delays which resulted in only one group receiving U.S. training in the first six months of the project were cited as justifications. Contract Amendment Number two granted this request in February of 1989, stipulating that allowable overhead/administrative costs incurred were to be reimbursed, up to the amount originally budgeted. This amendment, however, did not modify project output goals or performance expectations.

The second issue relates to project output goals. EDC wrote a technical note in November 1988, and attached as an Appendix to its Summary Report of Quarter II Activities, requesting a reduction in the number of total participant placements and also levels of participant months. This note is included in Appendix C. The effects of the proposed output changes are summarized in

Table II, below.

TABLE II

EDC PROPOSED OUTPUT REVISIONS

Sector	Contract			Revised			% Reduction		
	Pts.	Pts.	Months	Pts.	Pts.	Months	Pts.	Pts.	Months
Private	238	358		193	196.25		19	45	
Financial	49	89		30	33.75		38	67	
Private Bank	29	29		15	11.25		48	61	
BCCR	20	60		15	22.5		25	63	
University	24	31		24	30		0	03	
Totals	311	478		247	260		21	45	

EDC has discussed these revisions with CINDE-PROCAP and USAID/San Jose. EDC is of the impression that these changes have been approved and are managing the project under that assumption. CINDE-PROCAP and USAID/San Jose are both aware of the proposal discussed, but are less sure of their acquiescence and seem to be operating on the basis of contract targets. Neither EDC, USAID/San Jose, or CINDE-PROCAP was able to provide documentation that these proposals were formally adopted as substitutes for contract goals and output expectations.

The proposed output revisions envision an approximate 21% reduction in total participants and a 45% reduction in the amount of participant months of training. The extent of these reductions has important implications for project impact at the purpose level. Also important are the implications for managing project activities, encouraging cost effectiveness, and controlling the project budget, especially as end-of-project activities approach. That some ambiguity exists about specification of project outputs at this stage of the project's life is of some concern managerially. This point, however, is just one aspect of the greater issue, namely how does progress to date stand against intended end of contracts outcomes. Viewed in this context modification of project goals is one of several options available for mid course corrections and, hence, must be considered in the context of overall project performance.

The third issue deals with training program duration. The Project Paper assumed that the average duration of a training program would be 1.5 months in the private sector, 1 month for private banks, 3 months for the Central Bank, 18 months for the University of Costa Rica, and .73 months for the Instituto Tecnologico de Costa Rica. The overall project average is 1.48 months (6.02 weeks) per participant. These same assumptions were adopted in the EDC contract and became the basis for both participant month goals and budget determination, since program costs were estimated using standard costs per participant month estimates. There is no justification offered in the Project Paper for these assumptions.

To date EDC programs have averaged 3.24 weeks per participant, approximately half the level assumed and budgeted. In part this less than anticipated duration may be due to the mix of training activities (few internships, which have longer durations, have been programmed) and the sectors served (no Central Bank participants, who were to have the longest programs). More important, however, is the fact that the Project Paper design assumptions in this respect appear invalid in the Costa Rican context. Participants of the type this training is directed at find it extremely difficult to be out of the country for the average of 6 weeks assumed. The professionals and managers who are likely trainees all have significant, continuing responsibilities in their businesses. Moreover, the relatively small size of the businesses involved and the cultural tendency

toward centralized decision making mean that the individuals are actively involved and have few colleagues available to cover responsibilities in their absence. This is especially relevant here, since participant selection criteria are weighted in favor of participants with management positions and from smaller firms. Three other pieces of evidence support the conclusion that the participant-month assumption is unrealistically high.

First, the interviews with participants conducted as a part of this evaluation indicate a preference for programs about 3 weeks long, which were seen as an appropriate trade-off between the desires to benefit from the opportunity offered, and the personal and professional difficulties of being away. Programs lasting more than four weeks were uniformly considered as too long. Interestingly, these shorter than assumed programs do not appear to have resulted in any significant reduction in impact. As described in the section on training outcomes, impact at the project purpose level seems quite high.

Second, training needs assessment studies conducted by CINDE-PROCAP indicated that course duration is an important constraint in participation by employees from the Asociacion Bancaria Costarricense, the institution through which financial sector training is to be delivered. The study clearly indicated that constraint of small firm size, job demands, and management preference clearly argued for courses of relatively short duration (25-40 hours) and focused delivery. Although this study considered only in country programs, the same constraints are likely to be at work, at least to some extent, for U.S. training also.

Third, the comparable programs offered by other training suppliers seldom exceed four weeks. The 1989 INCAE Advanced Management Program, starting August 1, will attract 187 practicing upper level managers from throughout Latin America (including 28 from Costa Rica) to its campus for this residential program. Program duration is four weeks. Conversations with INCAE officials indicated that this period represented the approximate upper limit from the stand point of participant availability. Attempts in previous years to schedule longer programs were reported to have met with participant resistance and resulted in fewer participants.

INCAE has also conducted several training programs for Central American managers in the Unites States. The Programa de Alta Direccion Bancaria (PADB) has been offered in Miami since 1985. The program attracts an approximate average of 25 participants and is scheduled for two weeks. The program director pointed out that attempts to schedule a longer program were unattractive to participants, who feel they can not be away for much more time.

Any attempt to evaluate mid-term progress in meeting contract

goals must consider the lead times involved in completing a training activity. Details of training management are discussed in another section, but experience to date indicates that EDC response in providing a Training Implementation Plan has ranged from two weeks to six months (average 45 days) after a training request is developed. In addition, PROCAP requires at least one month to develop the training request and, ideally, additional time after receiving the TIP for final review and approval, as well as finalizing departure logistics. Thus, mid-term progress is only partially measured by training completed. The developmental stage of in-process activities must also be considered.

For the purpose of determining progress toward EOP goals, training activities in each of the sectors can be viewed as completed, pending, or anticipated. Completed activities are those programs which have been finished, with the participants returned to Costa Rica. Pending activities are those in some stage of active development, with at least some initial statement of training needs and/or identification of participants by CINDE/PROCAP, ranging to predeparture orientation. Depending on stage of development, program characteristics and participant numbers are known generally, but without absolute certainty. Anticipated programs represent activities identified for program development, but not yet actively under development. Given the lead times involved, pending programs generally correspond to those that will be take place between now and December 31. Anticipated programs will most likely take place between January 1, 1990 and EOP.

Table III classifies programs as completed, pending, or anticipated for each sector and also indicates the likely number of participants and training days for each activity. Table IV adds cost estimates for each program so classified. Table V summarizes the above data to measure project activities by participant months, number of participants, and program expenditures.

Conclusions

Several conclusions and implications are apparent, based on the above data. First, the project appears somewhat behind schedule in outputs. After 60% of project time has elapsed, 33% of the participants numbers intended have been trained, i.e. 102 participants out of 311 planned. Thirty-two percent of the private sector participants, 62% of the university participants, and none of the financial sector have been trained. Importantly, only 17% of the planned 478 participant months of training has taken place, reflecting both fewer participants and shorter training programs than planned. However, this situation is expected to improve as initial start-up slowness is overcome and both pending and anticipated programs are brought to fruition.

As Table V indicates, if pending and anticipated programs materialize as forecast, project performance will be as follows:

LOP TRAINING ACTIVITIES

COMPLETED AS OF JULY 31

PRIVATE SECTOR

Program	Training Days	Participants	Part.Days	PW	PM
Flowers	35	13	455	65	16.2
Ornamentales	21	18	378	54	13.5
Textiles	28	11	308	44	11.0
Fresas	15	25	375	53.6	13.4
Raices	22	20	440	62.8	15.7
Subtotal	121	87	1956	279.4	69.8

UNIVERSITIES

UCR EE	19	1	19	2.7	0.7
UCR EE	14	1	14	2.0	0.5
UCR EE	19	1	19	2.7	0.7
UCR EE	19	1	19	2.7	0.7
UCR EE	14	1	14	2.0	0.5
UCR IC	13	1	13	1.9	0.5
UCR ECON	52	1	52	7.4	1.8
UCR ECON	37	1	37	5.3	1.3
UCR ECON	43	1	43	6.1	1.5
Subtotal	230	9	230	32.8	8.2
ITCR	27	1	27	3.9	0.9
ITCR	20	1	20	2.8	0.7
ITCR	20	1	20	2.8	0.7
ITCR	20	1	20	2.8	0.7
ITCR	24	1	24	3.5	0.9
ITCR	24	1	24	3.5	0.9
Subtotal	135	6	135	19.3	4.8
Total Univ.	365	15	365	52.1	13.0

BANKING

None

Overall	4.86	102	2321	331.5	82.8

PENDING

PRIVATE SECTOR

Program	Training Days	Participants	Part.Days	PW	PM
Pescado	22	14	308	44	11.1
Textiles II	7	10	70	10	2.5
FTZ	12	4	48	6.8	1.7
Furniture	10	10	100	14.3	3.6
Processed Foods	29	16	464	66.3	16.6
Metalmechanics	29	16	464	66.3	16.6
General Export	14	15	210	30	7.4
Subtotal	123	85	1664	237.7	59.4

UNIVERSITIES

UCR Molina	60	1	60	8.6	2.2
ITCR Canessa	28	1	28	4.0	1.0
ITCR Vazquez	28	1	28	4.0	1.0
ITCR Chavez Arce	14	1	14	2.0	0.5
ITCR Valverde	14	1	14	2.0	0.5
	144	5	144	20.6	5.2

BANKING

None

Overall Pending	267	90	1808	258.3	64.6

ANTICIPATED

Private Sector

Metalmecanica II	28	16	448	64	16
Tropical Fruits,Vegetables	28	16	448	64	16
Plastics	28	16	448	64	16
Paper and Carton	28	16	448	64	16
Pharmaceuticals	28	16	448	64	16
Subtotal	140	80	2240	320	80

UNIVERSITIES

None

BANKS

None

COSTA RICAN TRAINING FOR PRIVATE SECTOR DEVELOPMENT

Training Programs Completed and In Progress: 6 June 88- 11 July 89

Training Program	Dates	Locations	Pt	Est.Cost	Est. Cost/Pt.	Actual Cost	Actual Cost/Pt.
Flower Growers & Exporters	9/18/88-10/22/88	Miami(M-DCC);Boston(EDC-IIT)	13	$52,669	$4,051.46	$49,593.74	$3,814.90
Ornamental Plant Growers	1/22/89-2/11/89	Miami(M-DCC)	18	$39,242	$2,180.11		$0.00
Textile Maufactures	2/12/89-3/11/89	Miami(M-DCC);Boston(EDC-IIT)	11	$58,613	$5,328.45		$0.00
Strawberry Growers	4/23/89-5/7/8	Davis,CA(UC Davis)	25	$57,570	$2,302.80		$0.00
Roots,Tubers,Chayotes	5/13/89-6/3/89	Ithica,NY(Cornell);Miami(M-DCC);Boston(EDC-IIT)	20	$76,416	$3,820.80		$0.00
Univ:V.Chacon UCR	7/10/89-7/28/89	Boston(NEU);Boston(internship)	1	$6,222	$6,222.00		$0.00
Univ:G.Loria UCR	7/10/89-7/23/89	Boston(NEU);Santa Clara,CA (Intel)	1	$5,182	$5,182.00		$0.00
Univ:I. Mazon UCR	7/10/89-7/29/89	Boston(NEU);Boston(internship);Santa Clara,CA(Intel)	1	$7,022	$7,022.00		$0.00
Univ:E. Navas UCR	7/10/89-7/29/89	Boston(NEU);Washington,DC(USTTI);Raleigh,NC (USTTI)	1	$6,270	$6,270.00		$0.00
Univ:J.Paez UCR	7/10/89-7/23/89	Boston(NEU);Boston (internship)	1	$6,222	$6,222.00		$0.00
Univ:R.Trejos IC UCR	7/10/89-7/22/89	Boston(NEU);Boston (internship)	1	$4,382	$4,382.00		$0.00
Univ:J.Jimenez ITCR	7/10/89-8/5/89	Boston(NEU);Washington,DC(USTTI);Ft.Lauderdale,FL	1	$7,110	$7,110.00		$0.00
Univ:F.Montes de Oca ITCR	7/10/89-7/29/89	Boston(NEU);Boston(internship);Santa Clara,CA (Intel)	1	$7,022	$7,022.00		$0.00
Univ:D.Vargas ITCR	7/10/89-7/29/89	Boston(NEU);Boston(internship);Santa Clara,CA(Intel)	1	$7,022	$7,022.00		$0.00
Univ:M.Hernandez ITCR	7/10/89-7/29/89	Boston(NEU);Boston(internship);Santa Clara,CA(Intel)	1	$7,022	$7,022.00		$0.00
Univ:E.Garro ITCR PI	7/17/90-8/9/89	Lowell,MA(UL);Miami & Orlando,FL (Valencia CC)	1	$6,335	$6,335.00		$0.00
Univ:J.Solano ITCR PI	7/17/89-8/9/89	Lowell,MA(UL);Miami & Orlando,FL (Valencia CC)	1	$6,335	$6,335.00		$0.00
Univ:M.Baldares UCR,ECON	6/22/89-8/12/89	Pittsburgh,PA (UP/SEMLA)	1	$7,071	$7,071.00		$0.00
Univ:J.Sauma UCR,ECON	6/24/89-7/30/89	Pittsburgh,PA(UP/SEMLA)	1	$7,071	$7,071.00		$0.00
Univ:D.Cespedes UCR,ECON	6/24/89-8/5/89	Pittsburgh,PA(UP/SEMLA)	1	$7,071	$7,071.00		$0.00

PENDING 1989

PRIVATE SECTOR

Fish and shrimp	8/12/89-9/1/89	Houston,Miami	14	$56,000	$4,000
Textiles II	September 1 week	Atlanta	10	$15,000	$1,500
Free Trade Zones	8/28/89-9/8/89	New York	4	$20,000	$5,000
Furniture and Ratan	10/17/89-10/26/89	Atlanta,High Point	10	$45,000	$4,500
Processed Foods	9/1/89-9/29/89	TBA	16	$56,000	$3,500
Metalmechanics	10/1/89-10/29/89	TBA	16	$56,000	$3,500
Mixed Sectors,General Export	11/6/89-11/19/89	Arizona	15	$37,500	$2,500

UNIVERSITIES

Univ:Eduardo Canessa,ITCR	8/1/89-9/1/89	Berkeley, CA	1	$3,500
Univ:Manuel Molina,UCR	8/1/89-10/1/89	TBA	1	$6,400
Univ:Eladio Vazquez,ITCR	1 month	TBA	1	$3,500
Univ:Jorge Chavez Arce,ITCR	2 weeks	TBA	1	$2,000
Univ:Guillermo Valverde,ITCR	2 weeks	TBA	1	$2,000

FINANCIAL

None

ANTICIPATED 1990

PRIVATE SECTOR

Metalmecanica II	4 weeks	TBA	16	$56,000	$3,500
Tropical Foods and Vegetables	4 weeks	TBA	16	$56,000	$3,500
Plastics	4 weeks	TBA	16	$56,000	$3,500
Paper and Carton	4 weeks	TBA	16	$56,000	$3,500
Pharmaceuticals	4 weeks	TBA	16	$56,000	$3,500

UNIVERSITIES

None

FINANCIAL

None

TABLE V

PROGRAM OUTPUTS

Overall Training Totals
by Participant Months

Sector	Completed	Pending	Anticipated	Total	Contract
Private	69.8	59.4	80	209.2	358
Universities					
UCR	8.2	2.2	0	10.4	23
ITCR	4.8	3.0	0	7.8	8
Total	13.0	5.2	0	18.2	31
Banks					
Private	0	0	0	0	29
BCCR	0	0	0	0	60
Total	0	0	0	0	89
Overall Total	82.8	64.6	80	227.4	478

Overall Training Totals
by Number of Participants

Private	87	85	80	252	238
Universities					
UCR	9	1	0	10	13
ITCR	6	4	0	10	11
Total	15	5	0	20	24
Banks					
Private	0	0	0	0	29
BCCR	0	0	0	0	20
Total	0	0	0	0	49
Overall Total	102	90	80	272	311

TABLE V

Overall Training Totals
by Program Expeditures
U.S. Dollars

Sector	Completed	Pending	Anticipated	Total	Contract
Private	281,434	285,500	280,000	846,934	922,016
Universities					
UCR	40,846	6,400	0	47,246	
ITCR	56,513	11,000	0	67,513	
Total	97,359	17,400	0	114,759	99,428
Banks	0	0	0	0	
Private	0	0	0	0	
BCCR	0	0	0	0	
Total	0	0	0	0	332,626
Overall Total	378,793	302,900	280,000	961,693	1,344,070

Source: Calculations of author based on data supplied by EDC and AID/San Jose. Data for completed training based on participant records and training budgets supplied by EDC. Except for 1 program, actual costs have not been reconciled against TIP budgets. Thus, actual expenditures may vary slightly. Pending programs are those currently under some stage of development by either EDC or CINDE-PROCAP, but as of yet without a completed TIP. Duration, participant numbers and costs are estimates of author, based on information available as of July 25, 1989. Cost estimates are based on an average of participant week costs estimated in the project paper and those budgeted for comparable completed programs.

Anticipated programs represented those planned for 1990, but not yet under development. Participants numbers, duration, and costs are estimates of the author, based on the above described method.

	Participants		Participant Months		Program Expenditures	
Sector	Goal	Actual	Goal	Actual	Goal	Actual
Private	238	252	358	209	922,016	846,934
University	24	20	31	18	99,428	117,759
Financial	49	0	89	0	332,626	
Total	311	272	478	227	1,344,070	961,693

In terms of participant numbers, perhaps the most important determinant of project impact, goals will be slightly exceeded for the private sector, and approximately met for the universities. However, no financial sector training will result. Participant month goals for the project as a whole will be about half that planned, primarily due to shorter training periods. Expenditures will be under budget for the private sector and slightly over budget for the university. If the projections materialize, there will be approximately U.S.$380,000 of unexpended funds at contract's end. From this perspective university training and private sector training appear to be on target for reaching goals. The issues of financial sector training and program duration (participants months), however, pose opportunities for mid-project adjustments.

Naturally, the above estimates are based on a number of assumptions, primarily related to participant numbers, program duration, and average costs. It was assumed that anticipated private sector programs would consist of 16 participants, last 4 weeks, and cost U.S.$3,500 per participant. Of these, the cost estimate is most likely to vary. Based on EDC best and final contract bids and costs to date, there is some evidence that program costs may exceed these levels. Notwithstanding the fact that the section on training management contains some recommendations for cost savings, higher than estimated costs may result. Consequently, this estimate, especially for anticipated costs, should be regarded as a projection, with some variance likely. The judgement of these evaluations, however, is that net variances should not be more than 20%, even in the most extreme case. It should be emphasized that attaining these projections requires a collaborative effort combining PROCAP's recruiting and EDC's program development.

Likewise, there are some indications that it may be possible to recruit more than 16 participants per course. If these opportunities materialize, they should be taken advantage of, regardless of the effect on these estimates. The implicit general assumption is that future training activities have the same characteristics as those held to date. Although there is some evidence of greater variety of offerings in the pending category, anticipated programs are much like those completed. As discussed in the section of training management, it is believed advantageous for EDC to deliver a greater diversity of program offerings. Since other training formats have different programmatic and cost

structures, progress toward goals might be affected accordingly. The central point is that at this stage of the project's life, progress toward EOP status is dynamic and, given the lead times involved, must be actively monitored and managed.

Second, the fact that after intense efforts no training has been delivered for the financial sector is of concern. This obviously carries important implications for achieving project goals and project management. Moreover, given the lead times involved, and the relatively short time remaining in the project, immediate action seems required. Indeed, it is the opinion of these evaluators that resolution of this situation is the one single most significant and most urgent mid-course correction required.

A review of CINDE/PROCAP and EDC records indicates that there has been much effort and back and forth between all parties in the attempts to develop training programs for the BCCR and ABC. This effort, and the fact that the CINDE/PROCAP program of in-country training with these entities is proceeding well, suggest that working relations are well developed and that good faith efforts have been made on all sides. The quarterly reports of both EDC and CINDE/PROCAP document this exchange. For the ABC, CINDE PROCAP submitted a training request to EDC on July 22,1988. The completed TIP was returned on October 25, indicating that the 3 weeks program designed was planned to begin on November 13. This date was felt inconvenient by ABC participants (due to end of year audits) and the event was postponed. Subsequent ABC correspondence on December 7 indicated that further review of the TIP indicated that some aspects did not conform to participant expectations, and a new program was requested. The request was for a program of no more than 10 days and identified specific topics of interest, several of which were included in the previous TIP. Subsequent January meetings indicated that the ABC would further define program topics among its members. Follow-up informal discussions with ABC officials have evoked the opinion that many banks do not have interest in participating.

Efforts to develop BCCR programs began in early 1988 with BCCR officials obtaining specific statements of training needs from department heads. Applications, which included statements of individual training desires, were forwarded in mid-September. On December 21, 1988 EDC forwarded an outline of three different training options for review and selection by BCCR personnel. These options, of 4, 7, and 7 weeks duration, consisted of various combinations of canned orientation programs by the FRB, FFIEC, and USEIB, training workshops at the New England Institute of Banking and observational tours. On March 17 the BCCR communicated their written rejection of these options, citing as justifications that the training topics and formats were not those expected and requested in the applications, the program would be conducted in English instead of Spanish as anticipated,

duration was relatively long, and the requirement to form groups of 15 people was impractical.

In reviewing these materials, the evaluators have noted:

1. Training needs and program delivery requirements have been reasonably well defined for the participants. BCCR department head statements, participant applications, and related correspondence, taken together, now provide a clear picture of training needs for program development. For the ABC, the CINDE/PROCAP study of ABC training needs (Necesidades de

Capacitacion en Las Instituciones Financieras Asociadas a La Asociacion Bancaria Costarricense ABC, June, 1989) and file correspondence provide a comparable picture. Although no statement of training needs is perfect, the level of information and specificity available here now seems at least as good as, and probably exceeds, that utilized in developing private sector programs.

2. The TIP and options presented have been technically sound, clearly expressed, and represent worthwhile training programs, per se. Unfortunately, all have been unresponsive to expressed needs, in one (but not all) or another material aspect. Language, duration, group size and topics are the main constraints for the BCCR proposals. Duration and appropriate topics presented at the appropriate management level have been the primary constraints for the ABC. These issues seem potentially remediable in subsequent revisions, given new approaches.

3. The types of programs proposed, although technically correct in their own right, seem to deviate from the type of programming proposed in the project paper. The Project Paper (page 20-21) and RFP are clear in stating that individual on-the-job internships with hands-on experience is the type of training intended for the financial sector. Indeed, the understandings and agreements with the BCCR and ABC seem to reflect this expectation. In this sense the reaction of the BCCR and ABC is understandable. The point is not that the proposal is necessarily inappropriate, but that other expectations exist and that the justification for change has not been clearly communicated.

4. Diversity of institutions within the ABC. As indicated on the following page, the size of ABC members varies dramatically.

Institution	Number of Employees
Banco Nacional de Costa Rica	3300
Banco de Costa Rica	2300
Banco Interfin	140
Banco Cooperativo Bancoop	110
Banco Banex	105
Banco del Comercio	85
Banco de Cofisa	80
Banco de San Jose	77
Banco Mercantil	60
Banco Internacional de Costa Rica	60
Banco Metropolitano	60
Banco BCT	46
Banco de la Construccion	34
Banco Continental	23
Corporacion Francofin	16
Citicorp	15

This diversity carries three important implications. First, as a consequence of size the training needs and participant availability of the BNCR and BCR are likely to be distinct, both in terms of subjects, specificity, and management level. Second, given the very small number of management employees in many member banks, participant numbers and time availabilities are limited. To date proposals have focused on one program to meet all member needs. Given the above, a variety of options seems most appropriate to accommodate the different training needs and possibilities that exist.

5. A changed training environment. At the time the Project Paper was developed, relatively little bank training was available in the country and training needs were great, given the challenges and changing economic circumstances confronting that sector. Since then and the June, 1988 contract initiation, a number of training alternatives have emerged to meet the needs of this sector. These include:

a. A one year post-graduate program in banking offered to practicing bankers from Costa Rica on a full time residential basis by INCAE. This program has trained approximately 300 Costa Rican bankers in recent years.

b. The PADB seminar program offered in Miami by INCAE. This 2 week program has trained approximately 20 Costa Rican bankers.

c. CINDE/PROCAP short-term in-country programs. Since its inception in 1985 this program has provided a variety of events, ranging from 2 days to 1 month in duration, aimed at Costa Rican bankers. According to CINDE/PROCAP officials, 895

bankers have attended.

d. Relatively minor numbers of participants in correspondent bank training programs, the University of Miami banking program, and general management programs not directed specifically at bankers.

Thus, the banking community now is apparently served by a variety of training options. This changing circumstance presents three implications for this project. First, the number of participants receiving training now seems somewhat high, relative to the size of the sector; therfore, offerings may be competing to some extent for available participant training time. Second, the type of training needed now has likely evolved from general to more specific and focused. This, in turn, argues for individualized training. Third, training needs may be judged as less acute now than before. This suggests that at the level of project purposes--developing skills to support economic and export development--alternative means may have evolved to meet project goals.

6. A narrow base of training options. The EDC response to the RFP listed a number of options and potential suppliers of banking training. In addition to those listed, there are at least seven other U.S institutions that have established records in delivering training, in Spanish, to Central American bankers.

These include:

a. The School of Banking of the South, at Louisiana State University, Baton Rouge (Dr. Don Woodland)
b. The Department of Management of the College of Business at Northern Illinois University, DeKalb, Illinois (Dr. Luis Flores)
c. The Citibank Training School at Pompano Beach, Florida.
d. The Bank of America Training School in Caracas.
e. The International Banking Program of the College of Business at the University of Miami, Miami, Florida (Dr. Robert Grosse)
f. The Department of Economics at Florida International University, Miami (Dr. Raul Mancarz)
g. The World Trade Institute of the Americas, Miami, Florida, for internships (Dr. Charlotte Gallogly)

Contact with these institutions or individuals would suggest broader options for appropriate program development.

The third conclusion deals with participant month goals. As discussed previously, the assumptions for average program duration developed in the project paper seem unrealistic. In part this is due to the fact that training programs to date have not

included internships, which are the longest duration program. More important, neither experiences to date, the expressed desires of participants, nor the experiences of other training programs suggest that the assumed targets are reasonable or attainable.

Further, these participant-months targets may have inadvertently pushed EDC, and to a lesser extent PROCAP, into a program design mode inordinately focused on reaching these arbitrary duration targets, at the expense of program diversity. In this sense, the targets seem to have been interpreted as standards, rather than as the averages intended. To some extent Amendment two may have freed EDC and the project from excessive reliance on what has proven to be an unrealistic target. Nevertheless, need still exists to free programming from this self-imposed restriction and perceived limitation.

Although advisable from a programming standpoint, relaxing or removing the total or average participant month criteria would have two implications for program management. First, as a consequence of shorter program duration, budgeted funds would be unexpended. Although this may be offset by higher than budget per participant month costs in the university program, the possibility of unused funds or opportunities to train greater numbers of participants will result. Second, as previously described, the participant month criteria, when coupled with standard cost estimates for training, is the key control for project cost effectiveness. Taken together this suggests that any modification of the participant months criteria should be accompanied by an increase in participant numbers, or a budget adjustment to insure cost effectiveness.

The fourth conclusion relates to project management to achieve targeted goals. Given the start up pressures involved and justifiable early project emphasis to deliver training, all actors have appropriately focused efforts on program production. As the above tables suggested, reaching EOP targets now seems to require increased attention to budgeted versus actual and the relationship between participant numbers, program duration, and program costs. CINDE/PROCAP seems to have thought about the issues, but has not formalized either a plan of action or a management reporting system. EDC and USAID/San Jose, have lower levels of awareness. A more formalized system to measure progress toward targets and periodic management reviews among all three actors now seems advisable.

The fifth conclusion relates to the EDC request for output target revisions. Obviously, a common understanding for project output goals is a requisite for both project management and EOP evaluations. Viewed in the context of Table IV data, the EDC proposed revisions seem to have been overtaken by events. This is understandable, considering that the proposal resulted early

in project life, after only one program had been completed. Learning curve effects, and possible other efficiencies discussed in the section on training management, can result in greater throughput capacity than envisioned then. Revised targets in the private sector are significantly below those now anticipated, for example. Thus, the numbers of participants to be trained seem below reasonable capacities, both for staff and budget. Moreover, the financial implications of reducing both participant numbers and average program duration have not been considered. Likewise, estimates of financial sector training outputs may be questionable, based on subsequent events.

The sixth conclusion relates to cost effectiveness goals. As of July 14, 1989 EDC supplied the following estimates of program expenditures to date:

Sector	Pts.	Pt.Months	Cost	Cost/Month	Contract Cost/Month
Private	87	69.5	286,512	4,122	2,575
University	15	13	99,369	7,643	3,207
Financial	0	0	0	0	3,737
Overall	102	82.5	385,881	3,783	2,812

Given the low numbers of programs and limited formats used to date, and the fact that costs are based on budget estimates which may be higher than those actually incurred, these figures may not be completely representative of the range of possibilities. Nevertheless, the extent by which costs seem to exceed contracted targets, and hence available funds, is a concern. More important is the fact that these incipient trends have not been flagged in quarterly reports nor directly reacted to by the actors involved. USAID/Costa Rica and CINDE/PROCAP have revealed some sensitivity to the cost issues, but feel constrained by the very short time period between the receipt of TIPs (which contain the only program budget information provided) and the departure of program participants. The Project Paper implies that initial responsibility for cost effectiveness lies with the program design function, which must develop programs with costs in line with the targets specified.

Two mitigating factors must be considered in interpreting these variances. First, programs are shorter than planned. This means that fixed cost (primarily U.S. transportation, orientations, program development, monitoring, and evaluations) are spread over fewer weeks, thereby increasing per week cost. Notwithstanding, the relatively low portion of fixed costs in most programs (less than 25% estimated) implies that other factors are at work also. Second, programs are more customized and individualized than likely envisioned. This might also increase instructional costs. Also, to put these figures in context, the Project Paper and RFP estimated participant months costs to be somewhat higher than the contracted agreement, as follows:

Private Sector	$3,296
Financial Sector	2,973
University	3,931
Overall	3,277

Nevertheless, the somewhat limited experience to date indicates that actual costs exceed even these higher targets by significant levels. This means that increased attention to cost effectiveness is warranted now.

Recommendations

Output Goals

1. The target of placing 311 participants for short term training in the United States should remain the same for the two year duration of the EDC contract and the PROCAP Cooperative Agreement This would require placing 209 participants in the next eleven months. This is possible to achieve with only minor increments to presently anticipated outcomes. A resolution of the situation with the financial sector also has the potential to increase placements. Implementation of several recommendations for mid-course corrections to enhance the efficiency of the training management process, discussed elsewhere, would help to insure that adequate staff resources are available. Targeted goals seem reasonable and attainable under present circumstances.

2. The target of 311 participants should be regarded as a flexible minimum, subject to adjustment upward based on the availability of funds due to budget variances in program cost, duration, or the like. Program funds that are likely to be unexpended in a sector should be directed to additional programming, and not unused or transferred to administrative functions. Stated another way, project management should monitor budget carefully and be alert to possibilities to use program funds that might become unencumbered.

3. Targets within sectors should be flexible so that PROCAP and EDC can program independently of targets in one sector alone. In practice this means that funds and participant number goals should, at this stage of the project's life, be managed as much at the project level as on the sector level.

a. The authors estimate that expenditures in the university sector may exceed, by about 15%, contract budget. Yet only 20 of the targeted 24 participants will have been trained, for 18 of the targeted 31 months. If the development of additional training is desired, the appropriate authorizations for fund transfers, and internal record keeping, if necessary, should be obtained.

b. The financial sector should not be abandoned as a training target conceptually, but depending on the outcomes of the

recommendations below, numbers and program duration might be reduced considerably. Since this situation must be clarified quickly, appropriate transfers and target adjustments will be apparent. Since, even in the most optimistic circumstances it is unlikely that this sector will absorb more than $100,000 to $150,000 of training, preliminary adjustments can be made now in planning and necessary record keeping.

4. Any adjustment of formal contract/project goals should be explicitly documented, communicated to all involved, and expressly incorporated into project documentation. This is necessary to insure that all actors are working toward the same outcomes and that the appropriate records are available for end of project evaluation. Given that no downward adjustment is recommended, this should be communicated to EDC, along with the expectation of flexible management to utilize available resources for additional programs, above the sector targets, if possible.

5. Achieving output goals may require simultaneous programming, a greater variety of training modes than currently used, and reduced development time. Specific recommendations are provided in the section on training management.

6. The present project approach of training for the private sector in commercialization and marketing of products in U.S. markets clearly facilitates program development and should be retained. Experience to date indicates that programs with this focus are much more rapidly developed than those with another, i.e. production, orientation. Since this topic corresponds to the type of training resources common available in the U.S., greater numbers of suppliers are available.

a. Several planned programs will include topics related to export marketing in the U.S. (transport, customs, FDA, brokers, freight handling, intermediaries, retailing, and business contacts).

Given this repetition, EDC may wish to contract with 1 supplier (i.e. one specific department or individual from one specific institution) in Miami to design a flexible 3 day or so program focused on these aspects. This would both simplify program development and allow for training supplier learning curve benefits, as well as provide a participant experience base that could be supplemented by other activities. In addition to the Miami based training suppliers previously used, the World Trade Center of Miami, the School of Business at the University of Miami, and the Department of International Business at the School of Business of Florida International University are experienced in these programs.

Financial Sector Programming

1. The existence of training needs, the success of other programs in developing U.S. training for Central American bankers, project credibility, and performance against commitment all indicate that one more additional, active and focused effort to develop financial sector programs should be undertaken immediately.

2. Given that less than 10 months remain in the EDC contract, and considering the lead times involved, no more than 2 months should be devoted to this effort. If by the end of October no TIPs have been approved, EDC and CINDE/PROCAP should focus efforts and available funds on developing programs for other sectors. EDC and CINDE/PROCAP should be open to providing training for this sector after that date on a request basis. That is, every effort should be made to respond to requests received, but no proactive programming efforts undertaken or funding reserved. Given present activity levels, adequate funding seems available for requests received after that date, even if significant amounts of "earmarked" funds are used elsewhere. Since the EDC contract budgets program funds on a global, and not sector, basis, this is an internal planning and record keeping issue, not a contracting one. Given project design and the emergence of alternative training suppliers, the effects of this change are not critical to achieving desired impacts at the program purpose level.

3. Development of proposed training programs should be the responsibility of the project manager, who should use the forthcoming scheduled quarterly visit to review all above referenced correspondence, documentation, and studies, as well as visit appropriate BCCR and ABC officials and potential participants to clarify training needs.

4. TIP design and program development should focus on new approaches incorporating individualized, as opposed to group, activities. This would include individuals or small groups of 2-3 persons, for customized, flexible activities. Formal seminars, workshops or the like for larger numbers of participants should not be a priority. Flexible, individual programming, such as observational visits, "shadowing" officers in large, money center banks, individual inserts into courses or trade show attendance is most appropriate to provide the type of hands-on experience suggested in the project paper. Such an approach would also accommodate the diversity of interest inherent in this sector. Logistical aspects should accommodate the duration and language constraints expressed by participants.

5. EDC should obtain the assistance of individuals and institutions recognized for their record in Central American banking training, for help in locating, designing, and supervising suitable internships, observational visits, or other such

activities.

Participant Months Criteria and Financial Efficiency

1. Participant training months should be discarded as an explicit programming goal. This will free both PROCAP and EDC to provide a variety of training events not tied to an artificial average duration which has proven unreasonable and impractical. Given information available to date, shorter programs still result in high individual participant impact outcomes. Shorter than anticipated duration may make it possible to train more participants and, thus, actually enhance project impact.

2. To provide for the budget and cost effectiveness control implicit in the average duration target, AID/Costa Rica should establish guidelines for expected average training costs. This should be based on a cost per participant week model and incorporate specific figures based on the RFP and the EDC best and final contract offer. These figures are about $820 per training week in the RFP and $703 per training week in the best and final. However, because individualized training normally costs more, USAID/Costa Rica could set the guideline somewhere between $900-$1,100 per participant training/week. EDC should be expected to design programs within this guideline and provide strong justification for any material deviations proposed in a TIP. Since this is an average target, reasonable variation between sectors or programs can be tolerated.

Project Management to Achieve Targeted Goals

1. To expedite management toward EOP status all actors should independently monitor the key variables of participants, program duration, and expenditures, using a common reporting system, similar to that in Tables III, IV, or V. Such information should be explicitly incorporated into EDC quarterly reports. To facilitate monitoring this information, EDC should expedite the submission of its quarterly reports and subcontractor invoices.

D. TRAINING MANAGEMENT

This section assesses project management efficiency. It is divided into two parts: 1) training management, and 2) project management.

Findings

Training management refers to the logistical and administrative tasks related to project implementation. These start in Costa

Rica with CINDE/PROCAP, are picked up by EDC for placement and implementation, and end with CINDE/PROCAP for follow-on activities once participants return from short term training in the Unites States. The analogy is with a football field in which PROCAP provides training management up to the 50 yard line and then passes the participants to EDC at midfield and they take participants on the other side.

This project design has some inherent potential for communication problems and conflict, since what is essentially one process sequence is carried out by separate parties. It is to the credit of all involved that this has been avoided to date and that working relationships are professional, productive and exceptionally personally harmonious among all involved.

The Project Paper has been translated into Spanish and serves as the guide for project implementation. Although no formal document has resulted, CINDE/PROCAP has done a creditable job of developing an implicit strategic plan that provides the conceptual framework for implementing activities and relating this program to the larger project of which it is a part. Key elements of this strategy include:

1. targeting management level participants of firms which are currently exporting, or key export facilitating institutions;

2. using an industry sector focus for programming;

3. concentrating programming on those industry sectors which research has demonstrated to have the greatest potential for export enhancement;

4. focusing on a relatively few sectors as training targets;

5. insisting on customized, relatively specialized training activities, which are specifically developed in response to demonstrated participant training needs and local conditions;

6. informal linkages to in country training programs by common training needs assessment studies, using in country programs as recruiting devices for U.S. training, and occasionally programming in country courses as follow ups to U.S. training;

7. an evolution toward U.S. programming emphasizing export commercialization, marketing, and business contacts, which uses the U.S. training experience to its best advantage.

This strategy has served the project well in focusing activities, using scarce resources effectively, and developing a shared basis for activity implementation.

For the purpose of reviewing training management efficiency, the evaluators envision training as consisting of a sequential process and reviewed each element of this process in turn. The sequence is: 1) training need identification, 2) participant selection, 3) training program design, 4) training institution and site selection, 5) pre-departure orientation, 6) departure procedures, 7) training delivery, 8) logistical management, and 9) evaluation and follow up procedures. For ease of presentation, findings in each of these areas are discussed in turn.

Training Needs Assessment

PROCAP has conducted training needs assessments for various non-traditional export sectors. These assessments serve for all three components of the PROCAP project. They are conducted in-house by PROCAP. In the past four years PROCAP has conducted about 15 such training needs assessments. They are based on research in a given sector; interviews with business managers, bankers, and university officials; and some skills inventories with potential participants. The assessments are good quality and serve as a good basis for training designs. The Annex contains a list of these studies in Appendix F.

In addition to these formal studies, once a training opportunity has been identified PROCAP conducts site visits to businesses, banks, and universities to obtain more information. PROCAP also discusses training issues, and sector problems with the appropriate CAAP, Impulso Industrial, and PAI technical offices. These technical offices assist in making adjustments of training needs.

Key sector individuals are consulted about non-traditional export issues in a given sector. A meeting is convened with key persons and potential participants to go over potential training programs. Participants make suggestions about training content, types of training, timing, training mix, and potential training sites in the United States.

All of these imputs are transformed into a two page Training Request. This Training Request is the basis for EDC's putting together an outline Training Implementation Plan (TIP), and also serves as the primary basis for communicating with training suppliers. EDC has reported considerable difficulty in interpreting these training requests. From their point of view, the training requests are too general, provide only minimal information, and are a sketchy basis to develop customized training programs.

There has been much discussion between EDC and PROCAP to clarify the training request and to obtain the specificity EDC feels is required to provide good training designs and to get the right training site. Both EDC and PROCAP consider this stage to

be cumbersome, time consuming, and inefficient.

EDC also reports not receiving the training needs assessment studies in Boston. They believe that with more full knowledge of training needs assessment they can do a better job of programming. After reviewing these training requests, these evaluators concluded that they contain relatively minimal information for programming. Yet the process described above develops considerably more information about training objectives and participant desires. Communicating the in depth, fuller information that is available to EDC, and in turn to potential subcontractors, should result in better, more rapid programming, with relatively little additional effort.

Participant Selection

PROCAP initiates participant selection by identifying key persons in the given sector. Lists are drawn up of potential businesses and business managers. Also PROCAP places advertisements in the San Jose newspapers soliciting interested participants to attend a meeting to discuss short term training in the United States. PROCAP also visits businesses that may be interested in the training program.

EDC believes it would benefit from this information about sector identification and feels that early communication to foreshadow the eventual training needs request would provide the lead time necessary for program development.

PROCAP has application forms that must be filled out by both potential participants and the participant's employer. Businesses are required to support the candidates by maintaining their salary while in training, paying for international transportation, and affirming its interest in training for its candidates. Candidates are required to work with the company for one year after training completion. This is more of a psychological commitment as it would be difficult to enforce under Costa Rican labor laws.

PROCAP has selection guidelines taken directly from the Project Paper. These guidelines are also in line with USAID/Costa Rica participant training regulations. There is no selection committee set-up within PROCAP for participant selection. Selection is done informally by the PROCAP Director and the Short-Term US Training Coordinator.

Nevertheless, selection criteria are stringently applied and clearly communicated to potential participants in initial informational meetings. This results in a degree of self selection, by which obviously inappropriate candidates choose not to complete the application process. The evaluators reviewed the applications of all program participants to date. This review concluded that

1. all partipants had gone through the review and selection process.

2. selection criteria and programming strategy had resulted in a participant group highly commensurate with project purposes and well situated to apply what is learned immediately in directly relevant activities.

3. selection criteria and the sector focus result in group with reasonably homogeneous needs for training purposes.

4. selection criteria presently require Costa Rican citizenship for participants. In a handful of cases this has excluded several very long residents who would otherwise be attractive participants. Although not a major consideration, PROCAP and USAID/Costa Rica , if allowable under administrative regulations, should have flexibility to waive this requirement for individuals who clearly demostrate a long standing residency or other such commitment to the country and are clearly qualified on other criteria, i. e. managers in currently exporting firms from appropiate sectors with potential to enhance non-traditional exports. Two arguments support this flexibility. First, in common with other Central American countries, non citizens are often disproportionately active in specific export potential sectors. Second, such requirements are essentially unrelated to project purposes, if other evidence of a long term, continuing commitment to the country is present.

Despite these quality controls for selection both EDC and PROCAP relate that groups are heterogeneous. They state that this is due to the educational levels of participants, experience, size of companies, and years involved in exporting. For example, a young president of a small exporting company will be in the same training as a veteran manager of a well-established exporting firm. These, and other disparities, have created some minor problems in training implementation and design.

The interviews with program participants conducted as part of this review suggest that differences in training interest, and not demographic characteristics, are the relevant variable. This is most apparent when marketing specialists and production specialists participate in the same program. Given the relative small size of some sectors, it is not always feasible to design separate production and marketing programs. In such cases resulting heterogenity may be an unavoidable trade off, best handled by explaining the program design situation to participants to clarify expectations.

PROCAP manifests a common problem facing many similar programs at this stage of a project. There is less demand than supply for short-term U.S. training. It is not a question of selecting out unqualified participants but rather promoting in order to get

sufficient numbers for training programs.

PROCAP expressed concern about the number of potential candidates for short-term training. In discussions, they stated the need to search for alternative means for identifying additional candidates. They felt this could be done through assistance from other export-oriented promotion projects. They also recommended having closer linkages within other sections with CINDE to help them identify qualified candidates. These procedures seem appropriate.

Training Program Design

Once EDC receives a Training Request it proceeds to develop a Training Implementation Plan (TIP), which is the central element in program design. EDC develops the TIP and sends it to PROCAP and USAID/Costa Rica for approval. The TIP contains normally a 10-15 page description of training modules, training activities, trainers, observation visits, processing, and evaluation.

The TIP also contains the estimated cost reimbursable budget. USAID/Costa Rica reviews and appoves the TIP and budget. In reviewing the EDC prepared TIPs, the evaluators found that they are good quality and show considerable effort in researching the training program. According to EDC, they have gotten into a pattern now and are able to research, plan, and get the TIPS back faster to PROCAP. The process has been much faster in the past several months.

EDC has developed a preliminary stage of sending an outline TIP for PROCAP review. This outline TIP is reviewed by PROCAP and potential participants. According to PROCAP, this process takes from one to thirteen calendar days to get the outline TIP back to EDC with comments for revision. This is very fast turnaround.

Concern has been expressed about the amount of time between EDC's receipt of training request and the submision of a TIP to PROCAP. The attached table, based on PROCAP records, documents the chronological sequence for the five private sector programs completed to date.

There is, of course, no absolute standard by which to judge the appropriate time required to develop a TIP. The process will be influenced by a number of factors, including:

1. The specificity and clarity of the training request.

2. Availability and ready knowledge of a pool of potential appropriate training suppliers.

3. The degree of program development work required by the supplier. This is a function of both the supplier's experience in

the general subject area and the uniqueness of the request.

4. The time and effort available by both EDC and training suppliers to devote to this task.

In applying these factors to this situation, it was noted, in addition to the points previously made about banking and the specificity of training reports, that:

1. The types of training developed for the private sector programs to date are among the most time consuming possible, due to their customized, specialized nature. Time requirements for other types of training, internships, the Program and WTI courses, should be much less.

2. Turnaround time has decreased as experiences and routines are developed.

EDC maintains that they have required some start-up time to get certain procedures, systems, and mechanisms in place. While the time between training requests, TIP outlines, and final TIPs were considerable at the beginning of the project, the general pattern is that programs are indeed being developed much faster. According to them, their systems are now in place and they expect to be able to program training groups much faster. In this sense EDC entered contract implementation in a "catch-up" fashion because PROCAP was prepared and ready to move forward at the contract outset. PROCAP had spent at least six months prior to the hiatus in establishing itself for short-term training in the United States. EDC had programmed its first group within three months after contract signing.

3. EDC does not appear to have, as yet, developed a large pool of potential training suppliers, catalogues of potential course offerings, or knowledge of other training institutions that currently provide customized training or groups that could offer training programs. This is reflected in both the relatively limited number of suppliers used to date and reported difficulties in locating suppliers for some requests. The United States has large numbers and variaties of training institutions that would welcome the opportunity to provide customized training in Spanish to Costa Rican participants. Additional effort to develop contacts with suppliers would expedite the TIP development process. In this sense planning of future training programs by identifying potential suppliers based on anticipated programs before receipt of the training request and provision of technical direction for the development training activities need enhancement.

4. The EDC project manager, in practice, has responsibility for TIP development, at least for private sector programs. Financial sector and to a lesser extent university TIP's have involved consultants. The project manager also is involved in a

number of other tasks which detract from this priority activity. Some of these other tasks involve meeting participants at airports or ports of entry, intensive program delivery monitoring, participant attention, orientations, and the like. Likewise the program planner is freauently involved in program implementation. Although some of these tasks must be done, not all must be done with the present intensity or by the project manager or planner. Given overall workloads, it seems important that ways be devised to free up time to concentrate on forward planning to expedite TIP development.

TABLE VI

PROGRAMA DE CURSOS CORTOS Y VISITAS DE OBSERVACION EN LOS ESTADOS UNIDOS

ACTIVIDAD	S E C T O R				
	FLORES	ORNAMENTALES	TEXTIL	FRESA	RAICES Y TUB.
ENVIO TRAINING REQUEST A E.D.C.	12/7/88	25/11/88	7/7/88	2/2/89	5/9/88
ENVIO DE SOLICITUDES DE CAPACITACION AID Y E.D.C.	28/7/88	5/12/88	16/8/88	23/2/89	6/10/88
RECEPCION DEL TIP	18/8/88	16/12/88	7/10/88	15/3/89	17/3/89
ESTUDIO DEL TIP	19/8/88	16/12/88	10/10/88	17/3/89	30/3/89
APROBACION O DESAPROB. DEL TIP	22/8/88	17/12/88	17/10/88	18/3/89	30/3/89
FECHA DE ORIENTACION	1/9/88	17/1/89	2/2/89	17/4/89	3/5/89
FECHA DE SALIDA DE LOS PARTICIPANTES	18/9/88	22/1/89	12/2/89	21/4/89	13/5/89

rmab

A second aspect of the process concerns training program design. The previous chart shows the types, dates, locations, and number of participants trained or in training as of July 11, 1989. It shows that five sector groups with 87 participants and 15 university professors have been trained or are in training.

Private Sector

PROCAP to date has used a sector approach in programming its training groups. It has programmed groups of flower growers, ornamental plants, textile manufacturers, strawberry growers, and roots and tubers.

As a training strategy, PROCAP has used all three training emphasis in production, commercialization, and marketing as follows:

	PRODUCTION	COMMERCIALIZATION	MARKETING
Flower Growers		*	*
Ornamental Plants		*	*
Textile Manufacturers		*	*
Strawberry Growers	*	* *	
Roots and Tubers		*	

Based on the Training Requests provided by PROCAP, EDC has organized training programs that provide a mix of classroom learning activities, observation visits, field trips, and meetings with growers and a variety of other people.

EDC has used Miami-Dade Community College, University of California/Davis, Cornell University, and EDC-IIT as sub-contractors. EDC-IIT has provided training programs of a different nature by organizing observation visits, tours, meetings, and applications of learning and program evaluations.

Universities

Fifteen professors are taking training during this mid-term review. Two other professors have tentative training schedules being worked out by EDC.

Ten university professors are having a one week training program in Northeastern University in Boston. Afterwards they will have individualized training programs, internships, and in one case a visiting professor status.

Three university professors are attending an eight week seminar

at the University of Pittsburgh. Two of these three professors will stay on for another two week internship at the University of Pittsburgh.

Two university professors have a training program at the University of Lowell/Boston with internships at Valencia Community College in Orlando, Florida.

A Food Technologist Specialist from the University of Costa Rica is scheduled to take a six month training at the University of Massachusetts/Amherst during September, 1989-February, 1990.

A Wood Technologist Specialist ITCR professor is planned for a 3-6 week training program at the University of California/Berkeley in the Fall, 1989.

Private Sector participant written evaluations at the end of training, conducted by EDC, attest to very high levels of training satisfaction. Participants almost uniformly give positive assessments of training implementation and satisfaction with training designs, training activities, and the mix between classroom learning and observation visits. Since the university programs are in process at the time of this report, no formal information is available for that sector.

Interviews with participants conducted as part of this evaluation confirm this very favorable impression. Only one instance of less than satisfactory training was noted, the production module in the flower program. This unacceptable level of performance seems explained by not noting the very advanced level of technical knowledge of some (but not all) of the participants, the mixed training interest of the group, and "first time through" problems. The overall valve of the program remained good, offset by a training module in marketing very well received by participants. These problems seem to have been noted and corrected in subsequent programs by EDC.

It is the judgement of these evaluators that the private sector programs completed to date, as described above, represent a quite narrow and stereotyped vision of the appropriate training options available. All have been essentially 3-4 week programs, for groups of about 15, conducted by a traditional academic institution, featuring workshops, guest speakers, observational visits, and, in several cases, observational visits in Boston. It should be noted that these limits are essentially self-imposed by EDC and the training request. The RFP, EDC's response, PROCAP, and AID/Costa Rica all envision and support a much broader range of possibilities and designs.

In process programs are beginning to utilize a variety of program options, which should be encouraged. The point is not that the approach used to date has been inappropriate. Indeed, quality

approach used to date has been inappropriate. Indeed, quality seems quite high. However, no one option is appropriate for all situations and the project clearly requires a variety of approaches for success.

Training Institution and Site Selection

EDC has used to date Miami-Dade Community College, U. of California/Davis, Cornell University, Northeastern University (Boston), and its own EDC Institute for International Training for customized training. In July-August, 1989, it will be using five other institutions for university professor internships. It has found itself relying on collegiate institutions in which it has had previous relationships. Miami-Dade Community College has been the principal training institution for flower growers, ornamental plant growers, and textile manufactures training groups. Two of the three have been complemented with observation visits organized by EDC-ITT in the Boston area.

EDC listed in their technical proposal about twenty training sites and institutions that could provide technical training in the United States. They also stated that they would develop files of training institutions, mailing lists, and research reliable training institutions. They were to search for training institutions that could offer customized and specialized training in Spanish and with some simultaneous translations.

Due to several complicating factors, such as time delays in awarding the contract, changes in EDC key persons because of time delays, and pressure to get programs implemented, much of this research has not taken place. EDC states that it finds itself in a reactive rather than proactive role in searching for training institutions. It does not have files on hand nor institutional contacts to provide a wide field of training opportunities. As experience has been developed, the network of sites has expanded. The first three programs were done by MOCC and EDC-IIT, but others are subsequently involved.

Site and location selection represent a trade-off among a number of factors, including cost, location characteristics, and supplier quality for the program desired. The Miami site and institutions for the flowers, ornamentals, and textiles are appropriate in that these sites and institutions for these programs were proposed in EDC's response, which was accepted. In retrospect, the Miami site is excellent for market and commercialization aspects and business contacts, as it is the initial point of entry for much of Costa Rican exports and/or their competitors. It is cost effective and language friendly, but is also the U.S. location most likely to be familiar to current exporters. It is one (but not the only) U.S. center for ornamental plants and also active in sportwears manufacturing. Little flower production is present. The training suppliers

performed well, except for those aspects of production training discussed above. The sites and institutions for the strawberry and roots program are generally considered the very best possible in their fields. As noted above, these are not the only possible options, but on balance represent quite reasonable selections and judgement.

The multiple sites used in most programs have increased costs, program duration, and logistical management problems. They have also provided training advantages by offering opportunities for contrasting observational visits, training, and in some cases responsiveness to participant desires. Once again, this design seems a reasonable, but not the only possible, balance of the factors involved.

Pre-Departure Orientation

At the beginning cultural orientation was provided in the U.S. by EDC and in Costa Rica by A.I.D. This was a duplication of effort. Participant evaluations recommended only one institution provide pre-departure orientations. This is now handled in Costa Rica.

Participant written evaluations attest to high quality pre-departure orientation both for logistical details and cultural aspects.

Given the characteristics of participants, cultural orientation is most likely not as important as envisioned in the PP and RFP. The present process, as it has evolved, seems to be performing quite well. This consists of an approximate one-half day orientation in San Jose, organized by PROCAP and combining logistics, A.I.D. information, and appropriate cultural information provided by the A.I.D. trainer.

The contract is somewhat ambiguous in assigning responsibilities for cultural orientation. In places it is indicated as the responsibility of A.I.D. and in others the implication is that it is the responsibility of EDC. Since much of this information must be incorporated into participant plans before departure (dress, behavior, etc.) it is rightly done in Costa Rica and appropriate clarifications should be documented.

Departure Procedures

PROCAP has setup systematic departure procedures for participants. They have demonstrated a high degree of personal concern that participants are treated well. Participant written evaluations are uniformly high in this regard. Personal attention to participant needs has been exceptional at all stages.

Training Delivery

The organization of training by suppliers appears good, with quality programs being delivered. Pace and intensity of programming is considered appropriate, based both on participant interviews and reviews of course materials. Only one potential problem in training delivery was identified: the quality of interpretation/translation. A few participants report difficulties in understanding due to poor translation of English language presentations, and some English teaching materials. Some of this is inherent in any program conducted in a foreign country. The contract requirement for Spanish language programs is clear, however. Although it is not reasonable to apply this requirement to every field visit, handout, or speaker, participant expectations in this regard may exist. EDC may wish to monitor subcontractor performance in this regard more closely and also review efforts to obtain Spanish language (and not translated) programming to the extent possible. Clarification of participant and contractor expectations would also be appropriate. For individualized participant programs the requirement for Spanish training should be flexible, based on abilities.

The review of training materials revealed three issues of note:

1. Many programs continue to include a one-half day session in U.S. business communication practices, usually conducted by an EDC staff consultant contracted solely for this purpose. A review of these materials suggest that they are relatively standard, basic, general presentations, with potential for overlap with Costa Rican orientation. If inclusion of these materials is deemed important for program reasons, EDC may wish to consider two options for more cost-effective delivery.

a. Providing these materials and training specifications for inclusion into Costa Rica orientation.

b. Including this module in the training provider's scope of work. All providers used to date seem quite capable of providing such training, at much less cost. Program interaction advantages would also result.

2. Many programs include an orientation activity focusing on developing training objectives, conducted by EDC consultants. Although worthwhile in its own right, timing seems inappropriate, given the difficulties of modifying ongoing programs to react to expressed needs. This process seems best incorporated into the PROCAP training request process in Costa Rica. Likewise, if deemed essential, EDC should consider including these activities as part of the training provider's responsibilities, for simplicity and cost effectiveness.

3. The project planner conducts at the conclusion of most group programs a one-half day session on techniques for implementing what has been learned. These sessions are valuable

and useful to participants, who report that they serve to structure and focus learning into their individual situations. Although these should be continued, EDC should, for the reasons described, consider having these activities done by the training subcontractor. This would also have the additional advantage of freeing program planning time for additional, needed technical TIP development.

Logistical Management

Logistical arrangements such as hotels, travel, administrative details and the like are reported as high quality by participants, with resulting high satisfaction levels on this dimension. Personal attention to participant needs by both EDC staff and training suppliers is reported as exceptionally high. Required administrative details are handled correctly.

Participants are extremely pleased by the attention offered by EDC staff. Indeed, efforts and satisfaction on this point are much higher than those of other comparable projects with which the evaluators are familiar. However, such efforts carry a price, both financially and in terms of scarce staff time. EDC must, reluctantly, reconsider the extent to which such efforts are essential or could be delegated or contracted to others.

Evaluations

Two types of evaluations are required of training activities, a training satisfaction measurement conducted by EDC at the end of the training program and an impact assessment of learning outcomes conducted by PROCAP six months and one year after participant return.

EDC obviously takes its evaluation effort seriously and devotes much program and staff time to the process. An elaborate evaluation instrument has been developed for that purpose. In reviewing the instrument and procedures, the following were noted:

1. The evaluation instrument contains about two pages of questions relating to PROCAP recruiting, processing, and orientation activities, which seem outside the domain of EDC evaluation responsibility.

2. The instrument dealing with training evaluation is relatively simplistic and may not, consequently, be capable of detecting training characteristics adequately. The problem with the production module of the flowers program described earlier, for example, was not clearly identified in the EDC evaluation analysis, yet its presence was apparent. In part this is due to form design, which asks participants to rate various program aspects by checking boxes labeled as "no util, util, muy util".

The three points may not offer sufficient alternatives for discrimination, given well documented central tendency effects in such instruments. Comparable U.S. instruments commonly use 5 or 7 point scales, and many Central American instruments 9 or 11 points. Also, there is no neutral center as an anchor for interpretation. Two of the points are positive and only 1 negative. Finally the stimulus "util" may push evaluations toward long run impact measures, rather than the short run training satisfaction measures intended. A redesigned form using a minimum 7 point, neutral midpoint scale would contribute to evaluation validity.

3. Evaluations are conducted by EDC staff. Once again this seems expensive and time consuming. This responsibility could easily be delegated to training suppliers.

4. To date evaluation reports have arrived in Costa Rica for only three of the 5 programs completed. Moreover, these completed reports arrive in Costa Rica up to six months late so that their benefits for program revisions are minimized.

Given the simple nature of the instrument and processes employed, the few number of participants, and the straight-forward, descriptive nature of the three reports presented to date, a reasonable expectation for receipt of the completed report, with analysis, is two weeks after program completion.

PROCAP provides a six month and one year written evaluation A questionnaire is sent out to participants through regular mail. It is the only monitoring and evaluation mechanism used by PROCAP.

To date impact data have been collected for two programs, Flowers and Strawberries, but results have not been analyzed. A review of this process has indicated that:

1. PROCAP has not developed a comprehensive methodology or research plan for the process, including what data are to be collected or how answers are to be tabulated, analyzed, or reported.

2. The instrument used to date may be inadequate:

a. Information is collected from both the participant and the employer, but instructions do not explain this and confusion is apparent in responses.

b. All questions are broad and open ended, requiring written responses which will be extremely difficult to tabulate or analyze.

c. Of the five questions aimed at participants, only 1 deals with impacts at the project goal and purpose level, which is the intent of the evaluation. Three of the four employer questions have this focus, however.

3. Baseline date, essential for measuring impacts, has not been collected or specified. Questionnaire data does not appear compatible with any base line data that would be possible to obtain.

The Project Paper provides no guidelines for impact evaluations.

Conclusions

The program is exceptionally well on track at the project purpose level, as a consequence of an implicit PROCAP strategy that is appropriate, responsive and highly consistent with intended outcomes. In the strategic sense the project is on track and proceeding well. This strategy is a more complex vision of the project that may have been anticipated by EDC at the time their response was submitted. Consequences have been longer development times and higher costs for the more highly customized programs delivered.

The efficiency of the training management process after a slow start is improving, as experience and routines are developed. The conflict inherent in shared responsibility for a common process has largely been avoided. The overall process is resulting in good quality training and high participant satisfaction evaluations. Important opportunities for improvements and efficiencies still exist however. These include clarification of contract language to indicate that cultural orientations and impact evaluations (six month and one year follow ups) are not EDC responsibilities.

Training management activities implemented by PROCAP are proceeding generally well. Additional effort is needed to insure that the depth of information available to CINDE about training needs and participant training desires is fully communicated to EDC in the training request. More detail is needed and could be easily provided to improve the quality and turnaround time of the development process. Present suggestions and efforts to broaden the recruiting process should be encouraged and implemented. Developing an effective, responsive impact evaluation methodology for the six month and one year followups is the most significant, priority challenge for PROCAP. Present efforts seem unlikely to produce the outputs desired. Since the Project Paper design virtually omits consideration of impact evaluations, outside assistance should be contracted for appropriate design, baseline data collection, instrumentation, and implementation to overcome this design defect. The PP and EDC contract suggest, in parts, that impact evaluation may also be an EDC responsibility. Since such evaluation is rightfully a PROCAP obligation, and PROCAP is best positioned for such activities, this responsibility should be unambiguous.

Given PROCAP workloads, outside assistance by someone generally familiar with A.I.D. impact evaluations, should be contracted for design and perhaps implementation. Given the need for baseline data, and the workflows involved, such assistance should be obtained immediately.

EDC training management activities are now proceeding faster. Noteworthy efforts have been made to overcome an out of phase start, compression of a five year program into two, and start up time of about six months (25% of the project life, compared to only 10% over the five years envisioned in the Project Paper). In this sense expectations for early project life performance may have been unrealistic. Nonetheless turnaround time for TIPs has been, in some cases, excessive, although improvements are noted recently. EDC should attempt to aim for a thirty day average, assuming receipt of a more detailed training request. The 45 day limit specified in the contract is intended to be a maximum, not average. This could be accomplished by:

1. The EDC project planner providing more technical direction and taking the lead in developing a data bank and current contacts with a broader base of potential suppliers, and up to date information about appropriate courses, internship opportunities, and the like, as described in the response. If matched to anticipated programs, worthwhile efficiencies will result. Current networks seem exceedingly narrow, compared to the number available. The knowledge and contacts of the project planner are well suited to this task, and represent appropriate, high value use of this time.

2. Expanding the range of training modes and options, as described above. These programs would likely require less development effort.

3. Allowing the project manager more time to focus on TIP development by reducing efforts devoted to project monitoring, participant attention, or the like. Some of these tasks could be contracted to training suppliers, delegated to the administrative assistant, or contracted to others. Internship development, placement, and supervision is one example of a complete task that could easily be contracted on a piecework basis to a network of suppliers.

Equipment is quite good and readily available. Staff numbers and total person time availability seem adequate, but barely so. Time compression has resulted in the program manager and program assistant providing greater effort than is sustainable or compensated. More problematic are the match between the mix of staff resources and project requirements over time, and the highest and best use of available resources. Right now there are two critical roles for the project planner: supplier network development and technical direction and assistance for TIP

preparation. Those tasks, plus responsibilities for leading report preparation and strategic oversight, should fully occupy allocated time for the next four months or so. As EOC status approaches, such demands will be less critical, except for final report preparation. For that reason EDC may want to use more than average project planner time now, and less later. Additional staff resources should be considered only at the level of the project assistant.

EDC has considerable experience in managing projects and is fully responsible for the internal mechanisms it devises to manage its own contract responsibilities. While the project outputs are clearly behind schedule at this mid-point review, EDC rightfully considers itself capable of handling its internal efficiency, and its well established reputation indicates that is the case.

The intent here is not to "micromanage" or usurp EDC prerogatives, but merely to indicate that it might be worthwhile to consider alternative configurations.

Training sites are appropriate, but do not reflect the full range of options available. Multiple sites have contributed to management complexity and should be employed only with a clear programmatic justification.

Quarterly reports and program evaluations are so slow in arriving that their value is virtually obviated. Two weeks is a reasonable expectation for turnaround time.

The training programs planned and implemented to date are high quality and customized training programs. They demonstrate considerable effort by both PROCAP and EDC in assuring participant satisfaction and making adjustments to individual needs. Both institutions are to be commended for this high quality project implementation.

EDC is getting good program training from its subcontractors.

Recommendations

PROCAP

1. PROCAP should continue to search for alternative means of recruiting participants such as working more closely with producer and manufacturing associations, and other similar organizations. It would also be appropriate to send brochures to the individual export businesses for individualized training programs.

2. PROCAP should send to EDC a more detailed Training Request (TR) that has complete information concerning general and specific

training objectives, training modules, specific training content, training expected outcomes, field visit requests, proposed training dates, participant profiles, and recommended training sites solicited from the participants and other resources.

In like manner, PROCAP and EDC need to develop a long run list of specific sectors to be trained and programs to be developed, and stick to it. In the past there have been some changes and uncertainty about the specific programs that will be arranged and in what order. At this stage, unnecessary uncertainties should be resolved. Both parties should be able to agree to a list of programs to be developed. This will facilitate EDC's program development process.

3. PROCAP should send to EDC packages of information for each training sector that would include the training needs assessment, sector background information, and other similar type information which will be transferred to the subcontractors for their use in preparing training programs geared for Costa Rican participants.

EDC

1. EDC should expand its vision of the breadth and range of training possibilities. Freed from the narrow conceptual framework of six week training and the narrow constraints of the training course concept, a host of training options are available to both EDC and PROCAP. The following are some concepts gleaned from other projects that have demonstrated results and training impact:

a. Tailor-made programs, similar to the university professor program, that provide a one week core training and then individual programming for internships, on-the-job training, meetings, trade fairs, business firm visits, and simply making contacts with potential clients.

b. Individual training programs with one or two participants in a flexible training schedule that could include attending trade fairs, conventions, on-the-job training, internships, observation visits, or meetings. EDC can set-up a general schedule for participants and make contacts. The participant also provides input of possible training activities and sites. EDC provides per diem and incidental expenses but the participant takes more full responsibility for his/her training program.

c. Enrollment of participants in on-going scheduled training programs. The current examples are sending participants to the Pragma Corporation rattan furniture program and also the Thunderbird export marketing strategies seminar. It is important to keep in mind that training initiatives can come from EDC, USAID/Costa Rica, PROCAP, and the participants themselves. EDC

has the final responsibility for placement and financial arrangements.

d. Open-ended facilitation of participants to attend meetings, make business contacts, attend annual conventions, and other similar activities. Project funds provide the opportunity to facilitate training by providing per diem, registration, and other incidental expenses.

e. Internships, or short, two weeks or so, "shadowings" of appropriate business people, suppliers, or the like.

In all these activities, we should point out, PROCAP, USAID/Costa Rica, and EDC follow the same administrative procedures of having training objectives, training request, TIPS, PIO/Ps, participant selection, processing, orientation, evaluation, and follow-up.

2. EDC should expand its training site selection by exploring other training institutions that currently provide customized training or groups that could offer training programs. EDC should develop files and contacts with a wider net of training

institutions. They should go beyond the more narrow confines of university-based and New England-based training institutions and research other training options. Minimum contacts should include the AID/OIT catalog of U.S. training programs for foreigners, the Consejo Nacional de Hombres de Empresas in the Dominican Republic, which has executed a comparable project, and members of the Business Association for Latin American Studies, a U.S. association of business school professors with Latin American interests, likely knowledgeable about programs.

3. EDC's technical proposal provides excellent training institutions, cost effective means for reducing costs, no-cost training programs, and other interesting and valuable training program concepts. However, only a fraction of these resources are being used to date. EDC should revitalize its programming strategy to take into account the resources stated in the technical proposal.

4. EDC should eliminate its evaluations of recruitment, processing, and program development activity carried out in Costa Rica by PROCAP. This is not their domain and can best be handled by PROCAP.

5. EDC should eliminate or at least cut back costly and overburdened training program evaluations. Those program evaluations can be handled by subcontractors or in the case of individualized programming by PROCAP once participants return to Costa Rica. Evaluations and analysis should be completed no more than two weeks after program termination.

6. The EDC Project Planner position should be clearly defined with specific tasks and outputs. The Project Planner can perform very valuable services in program development, individualized participant programming, and other "hands-on" activities that support improved and increased project outputs. EDC should have the Project Planner fulfill administrative activities in line with those stated in their technical proposal.

7. EDC should cut down or eliminate the costly and inefficient project monitoring and field visits made by the Project Manager and Project Planner. Their time can be better used in program development.

8. EDC should provide a more detailed outline TIP to PROCAP with more specific detail concerning training modules, training sites, and content to be developed in the training activities.

9. EDC should provide to PROCAP a more detailed final TIP with more detailed budget and project details. There should be a shift toward training content to the degree possible in the presentation format. TIP receipt should allow sufficient time before departure for AID budget review. To facilitate TIP development it may be useful for the EDC project manager to spend slightly more time in Costa Rica than the five days per quarter presently programmed. Additional time would allow for first hand discussions with PROCAP's business contacts who are consulted to develop program specifications. This, in turn, would facilitate communications with training suppliers and increase understanding of trainer requirements. If possible, the initial meetings with participants in Costa Rica could be usefully scheduled at this time. As it now stands, the five day per quarter time limit offers little time for analysis of training needs, given other necessary activities during these visits. An additional three to five days per quarter, if used on pre-TIP development for future programs, seems reasonable. If the days are added to trips that would otherwise take place, the incremental costs (per diem only) would be moderate and well worth the benefit produced.

Project Management

This discussion is linked to many previous points made, but considers in a more general way the specifics of overall project management. As requested in the scope of work the emphasis is placed on EDC management efficiency, but elements are related to how all three actors define and implement their different tasks in the project.

The evaluation revealed three points of major concern:

1. No shared management information system for project management.

As discussed the simple, but critical, variables of participant numbers, program duration, cost per training month, and expenditures against budget (of the type described in Tables III, IV and V) are not being collected in one place or updated. More importantly this information does not seem to be used as fully as it could be for monitoring progress, evaluating the impact of previous decisions, or planning future activities. This has not occasioned problems as of yet, but will be a constraint for future management. As recommended elsewhere, it is important that the simple reporting system proposed (adjusted in any way considered appropriate) be used continuously as a management tool.

2. Little control for cost efficiency

As discussed earlier, participant month costs are not being monitored and contract or project paper targets are not being used as constraints in EDC's program design. Given budget design the significantly higher than planned training month costs incurred to date will impact on either program duration or participant numbers. Project paper and contract estimates may prove unrealistic, given the type of training delivered and cost to date. Nonetheless, it is important that AID/Costa Rica restate the importance of this criteria as a planning tool and take the lead in developing a reasonable target, along the lines previously recommended.

3. Contract Extension

The evaluators are of the opinion that a minimum six month activity extension is warranted, beneficial, and indicated, but not imperative. On a conceptual level several arguments support this recommendation. First, the project was conceived as a five year effort and compressed into two, with only modest reduction in output goals, and no provision for additional contractor staffing. This, somewhat unrealistic in itself, undoubtedly understated the effects of start up time on contractor output. Comparable projects use four to five years life. Second, the larger project of which this activity is a part, continues. The parts were conceived as a whole with important, reinforcing linkages. Continuation in phase would enhance both projects and would support original project purposes. Third, efforts and expenditures to date have resulted in development of capabilities that are just beginning to reap experience benefits and function at normal capacity. Extension would permit greater benefits and returns on the investments made.

On a project-specific level, two other arguments are relevant. First, the project seems to be doing what it is intended to do well. Participant satisfaction is very high and the quality of training delivered is good. More important, indications are that impact at the purpose level is quite high. The project is reaching the right people, at the right time with training that is producing outcomes leading directly to increased exporting

activities. At this level the project is a success and extension justified. Second, unexpended funds will likely be available. If anticipated programming is completed as intended, a minimum of $300,000 and as much as $400,000 of program funds may remain, depending on actual expenditure and program levels versus budget. Although acceleration of activity could spend more, it could be at the expense of some program quality. At any rate, depending on desired levels of programming and remaining funds, justifiable activity levels could be maintained with little or no incremental program funding. Alternatively, higher levels of activity could result with only modest (at most $100,000) additional funding. EDC and CINDE/PROCAP administrative costs are additional. EDC has estimated that additional administrative costs for a six month extension would be $81,118 ($71,118 administrative costs, plus $10,000 for six trips and per diem in Costa Rica).

Relatively minor issues identified include:

1. A need to expedite EDC Quarterly reports, which are up to 6 months late in arrival, as well as the annual report which has not been received. Quarterly reports do not contain project financial information, as required in the contract.

2. A need to clarify if certain EDC activities, such as evaluations and program monitoring, are administrative or program expenses. EDC stated in its technical proposal (p. 8-25) that it would be involved in program orientation and evaluation, but was not completely clear if these were administrative responsibilities performed under the administrative budget or program activities performed under the program budget. Confusion also exists because TIP budgets are not sufficiently detailed for a clear determination and only one voucher requesting payment for one training program has been submitted to date. The impression of the evaluators, based on incomplete evidence, is that there is no clear distinction made, in some cases, between program and administrative activities. Given this ambiguity more budget detail should be requested to establish clearer guidelines.

The findings, conclusions, and recommendations contained in this evaluation were discussed with EDC personnel in their office in Boston in early September. The purpose of this review was two-fold:

1. To provide an opportunity to obtain additional information and correct errors of fact that might be present in early drafts of the report;

2. To exchange views on the feasibility of recommendations made regarding Project Target Achievement and Training Management.

Errors of fact have, hopefully, been corrected in later versions of the initial draft report. Discussions of recommendations did,

however, reveal some areas in which the judgements and interpretations of EDC may differ from those of these evaluators. The primary areas of difference (as judged by the authors of this report) are as follows:

1. Pending and Anticipated Present Outputs - EDC disagrees with the estimates in the table on page 14 for the number of pending programs in 1989 and anticipated programs in 1990. These disagreements involve both the number of programs, estimated of participant cost, and estimate of participants per program. In terms of programs, EDC judges that it will do six (not seven) of the programs listed as pending for Fall, 1989. In this sense, EDC remains consistent with the estimates it provided in its suggested contract amendment (Appendix C). Consequently, one of the pending programs will move to 1990. Also, EDC estimates its 1990 capacity at a total of four private sector programs. This, in turn, means that EDC will not develop two of the new programs listed under Anticipated, 1990. The net result is that ten and not twelve programs will be done for the private sector. This is two programs less than the page 14 forecast. University programs are expected to be met, more or less as described on page 14.

The projections of anticipated programs on page 14 assumed four weeks duration, an average of 16 participants and an estimated cost of $3,500 per participant. EDC suggests that a three week duration would be more reasonable, based on experience to date. Also, EDC believes that cost estimates are low. EDC believes a cost per participant week estimate of US $900 - $1,200 is reasonable. Since participant week costs to date have averaged approximately $1,100, this assumes that the present cost structure will continue into the future. Finally, EDC feels that it may be difficult to average 16 participants per program, based on their feeling that demand for U.S. training may be declining in Costa Rica, or likely needs already met by previous programs. This is of special concern to them because EDC has no control over participant recruiting and can only accept the numbers sent.

2. Participant Throughput - EDC, as described above, questions the assertion that it is possible to achieve more output than stated in Appendix C. In the past, constraints of EDC staff time, especially of the program assistant and program manager level, are seen as critical. These staff are seen as operating at overload levels now and ways of significantly increasing productivity are not seen as feasible or practical. In the past, this was also viewed as a function of the long lead times inherent in the process of developing the types of programs desired, which they believe differs substantially from the types of activities envisioned in the RFP and, hence, the assumptions on which the staffing levels and administrative costs based on their response were based.

3. Resource Constraints - EDC feels very strongly a shortage

of staff time to develop programs. As described above this is based, in large measure, on the belief that the effort required to develop the customized programs being delivered is greater than that anticipated for the types of programs proposed in their technical response. This belief is supported by the heavy work loads and additional time put in by staff over and above that compensated in the project budget. This is seen to impact both output and availability of staff time for other necessary activities besides program development.

E. ADEQUACY AND APPROPRIATENESS OF TRAINING

The conclusion of this evaluation is that the training is exceptionally appropriate. Beneficiary satisfaction with the training is quite high and the training programs have done an excellent job meeting client expectations. Indications of changes in firm behavior that have the potential to lead directly to important increases in firm export performance are present to a high degree.

The course evaluations submitted to date by EDC are elaborate and suggest a high degree of participant satisfaction with the training. Although not sufficient for purpose level impact, such satisfaction is a prerequisite. The review of training management issues, described earlier, concluded that:

1. Participants are carefully selected, appropriate, and exceptionally well positioned to benefit from training by immediate applications to promising ongoing export activities.

2. Training design and topics covered are appropriate, relevant, and well matched to demonstrated participant training needs. Programs are highly customized and tailored to expressed needs, which contributes to impact. Training strategy has appropriately emphasized marketing, commercialization, business contacts, and productivity aspects which are uniquely available in the U.S. This represents the best use of the comparative advantages unique to U.S. based training.

3. Information is relevant, useful, and well presented. Training is, thus, well organized.

4. Appropriate linkages with other project activities exist.

As a part of this evaluation process interviews were conducted with 15 of the 85 participants who have completed the five training programs conducted to date. A structured interview protocol was developed to guide the interviews toward eliciting information in two areas:

1. Participant satisfaction with the training process,

designed to confirm and supplement the program evaluations conducted by EDC. This aspect focuses on the training experience itself. The assumption is that a satisfactory training experience is required to lead to the firm level activity changes necessary for increased exports, but, by itself, in not sufficient or conclusive for such impacts.

2. Training impact, designed to measure the direct increase in export productivity or sector viability attributed to the training experience. Given the recent completion date for these courses (only one completed more than six months ago, three programs within four months of the evaluation) specific export increases could not measured, given time lags, production cycles, and reporting systems. Consequently, indirect measures were employed to obtain an itemization of specific firm activity changes which, if successful, would lead to significant additional exports.

Results of the interviews support the conclusion of a high degree of participant satisfaction.

- On a scale of 1 to 10, satisfaction for the program as a whole was rated as 9.1

- 14 of 15 participants would take another such program,

if one relevant to their needs were offered. This high number of repeat participant intentions is the ultimate measure of satisfaction.

- 13 of 15 have recommended the program to others

- Two firms have provided letters documenting their satisfaction or placed testimonial ads in the newspaper, an unusual practice by Central American standards.

As a final measure of participant satisfaction, individuals were asked to indicate their feelings and reactions to programs using a semantic differential scale. The specific items making up the scale and the average reaction is indicated on the following page.

	1	2	3	4	5		
a. Too short				*		Too long	4.0
b. Lively	*					Boring	1.3
c. Advanced			*			Elementary	3.2
d. Not Useful				*		Useful	4.2
e. Good Logistics	*					Poor Logistics	1.8
f. Localized				*		Foreign	3.9
g. Excellent Professor		*				Average Professor	1.9
h. Much Variety	*					Little Variety	2.2
i. Satisfied	*					Dissatisfied	1.7
j. Good Attention						Poor Attention	1.0

Results of the interviews suggest a high potential for export impact:

5 participants report new export sales or distribution agreements resulting from contacts made during the program.

6 participants are in the process of negotiating sales based on program contacts developed, or studying new markets. One reports 15 calls from potential purchasers.

The 15 participants reported an average of 6.4 actual changes in firm activities as a result of the program that are judged to contribute in a meaningful way to export activity or productivity. Better production techniques, new handling and packing, improved packaging, and better meeting quality or sanitation requirements, were the most commonly reported.

6 producers report adding new products or crops as a result of market information obtained.

The 15 participants estimate, on an average, 3.7 months are required to recover the approximately $2,500 of direct firm/participant costs incurred for each program. This suggests that perceived, tangible benefits exist and accrue quickly.

Interviews also indicate that the sector-based programs have contributed to overall sector development. Three sector groups have met as a group after program completion at least twice to plan follow-up group activities, develop a plan to influence policy to reduce obstacles to sector export development, or undertake joint purchases.

Two employers of participant were interviewed. They confirm specific impacts on firm activity, noted positive effects on participant motivation and morale, and were enthusiastic about the possibility of others participating in comparable programs.

APPENDIX A

SCOPE OF WORK

APPENDIX A

SCOPE OF WORK

Background

USAID/Costa Rica project 515-0212, Training for Private Sector Development, contains a component for short-term technical training in the United States for groups from the private, financial, and university sectors. This is one of three components in the project, the other two being long-term training in the United States and training in Costa Rica. Due partially to contractual problems, this component was significantly delayed in its implementation. Originally planned to cover a five year period, the contract with the Education Development Center (EDC) was signed June 6, 1988 for two years (ending June 6, 1990) in the amount of $1,628,544.

Objectives

The Education Development Center contract calls for an "annual progress assessment" by an outside contractor. This mid-term evaluation will be based on information from project staff records and limited interviewing of participants. The aim will be:

-to compare what was planned with what was achieved, in terms of inputs, outputs, methodology and progress toward end-of-project (6/6/90) status. Contractor and participant reports will be used in these evaluations.

-to review and reassess assumptions underlying the project and plan for the balance of the project.

-to recommend to CINDE and the Contractor any action required to correct weaknesses identified and ensure timely progress toward the desired end-of-project status. The Contractor is expected to comply with these modifications if concurred in by CINDE/PROCAP and USAID/Costa Rica.

-to review reasonableness of achieving goals/targets without sacrificing quality.

Issues

1. Achieving Goals/Targets of Project

A. Development time has proved to be longer than anticipated, thereby reducing the number of groups that can be accommodated during the contract period. Is the effort to find suitable alternatives to individualized training by using more

commercially-developed training satisfactory?

B. There is a difference in perception between PROCAP which expected more stylized, individualized training and EDC which submitted a technical proposal that specifically names the commercial courses and organizations with which it intended to work. Is this communications/perception problem a constraint to achieving goals? Are the goals/targets appropriate and achievable without sacrificing quality? Is the current approach, i.e. training for the private sector in commercialization and marketing of products in U.S. markets, facilitating program development?

II. EDC Management Efficiency

A. Should EDC have been able to develop programs faster? Is the amount of time between the receipt of training requests and the arrival to PROCAP of a Training Implementation Plan (TIP) outline appropriate? Examine the time frame between the receipt of the TIP and the PROCAP/USAID approval vis-a-vis the necessary departure date for the participants?

B. Should EDC be able to deliver more than they are, or are expectations unrealistic?

C. Is EDC giving its Project Manager enough support (staff assistance, equipment, etc.)?

D. Is this enough staff for this accelerated program?

E. Are we getting an appropriate mix of resources from EDC? Is it adequate? Do we get input from their high priced staff consultants as proposed? Do we need it?

F. Have the TIPs addressed the requests/stated needs for the particular training considered important by the candidates? Some TIPs have been rejected because they did not address the requests. Does EDC really consider what the participant wants to learn?

G. Has EDC selected the best sites for training or the most convenient for them?

H. EDC has been slow in delivering the final evaluations after each group. What time lag would be acceptable?

III. Adequacy and Appropriateness of the Training

A. Are the participants receiving useful information and is the training having an impact? Can any increase in exports or sector viability be attributed to the training? The response to this question will depend on the evaluation data available and the base line data collected before the project started.

B. Are we sending the right people in the appropriate fields?

C. Is there something missing in the training which would enhance its value to the participant?

D. Is the predeparture cultural orientation helpful?

Methodology

The two evaluators should interview EDC in Boston in person or by telephone before traveling to Costa Rica. They should review project documents, interview training providers, if possible, interview participants in a focus group and/or by telephone, and interview USAID and CINDE/PROCAP staff. The Chief of Party should then review the findings with EDC. He should conduct an exit interview with USAID/Costa Rica.

Reporting Relationships

The contractor will report to the USAID/Costa Rica Chief of the Training Office and to the Project Advisor.

Reports

A draft evaluation in English in the AID Evaluation Summary Format should be delivered to the Project Advisor within three day prior to departure. A full report outlining responses to questions in the workscope is due within three weeks after the Chief of Party leaves the country.

Level of Effort

Two senior training advisors with private sector experience in Latin America:

Chief of Party: 27 work days
Training Evaluation Specialist: 9 work days

Period Performance

A start date of July 10th and a completion date of September 30th are anticipated.

APPENDIX B

LOG FRAME

LOGICAL FRAMEWORK MATRIX

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATOR	MEANS OF VERIFICATION	ASSUMPTIONS
Goal			
To stimulate growth in the production and exporting of non-traditional goods and services, resulting in increased levels of employment and foreign exchange earnings for Costa Rica.	1. Increased exports of non-traditional goods and services. 2. Increased productivity in private sector enterprises attributable to project activities.	1. GOCR statistics. 2. Project reports and evaluations.	1. GOCR policy of encouraging exports is maintained. 2. Levels of new credit made available to private sector enterprises is, at minimum, maintained. 3. Business/investor climate in Costa Rica remains stable. 4. Costs of production which are outside the control of private companies and businesses will not deteriorate.
Purpose			
To strengthen the human resources which are needed for Costa Rican private sector development through a program of selected training activities.	1. Private sector managers and technicians trained and applying new skills or knowledge.	1. Mission, implementing entity and other contractor records, reports and evaluations of project.	1. Identified training needs can be met in the U.S. or in Costa Rica.
	2. Selected banking personnel trained and applying new skills or knowledge.	2. Reports from the Costa Rican Banking Association & the Central Bank	1. Personnel will be able to convince Boards of Directors to apply lessons learned.

LOGICAL FRAMEWORK MATRIX

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATOR	MEANS OF VERIFICATION	ASSUMPTIONS
	3. Designated university staff trained and providing more relevant education for meeting the manpower needs of the private sector.	3. Changes in curriculum, course offerings, and/ or degree programs of participating institutions.	
	4. An institutional system in place with capability of identifying, establishing & managing training programs for private sector development	4. Mission, CINDE and other contractor records, reports and evaluations of Project.	
Outputs			
1. Private Enterprise			
a. Short-term U.S. training completed.	1.a. 520 Costa Ricans from priority sectors, with specialized train.	Mission, implementing entity and other contractor records, reports, and evaluations of project.	1. Demand for training will occur due to current unmet demand in training assistance and CBI opportunities.
b. In-Country training completed.	b. 2,200 person months of specified training for 2,200 participants from private enterprises.		2. Sufficient incentives and conditions of training are included in the program to reasonably ensure return and assignment of trainees to appropriate positions.
			3. Sufficient local currency resources provided by GOCR to finance local train.costs

LOGICAL FRAMEWORK MATRIX

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATOR	MEANS OF VERIFICATION	ASSUMPTIONS
2. Financial System			
a. Banks/Financieras			
i. Short-term U.S. training completed.	a.i. 30 Costa Ricans from private banks & financieras with specialized training.	Mission, implementing entity and other contractor records, reports, & evaluation of project	
ii. In-country training completed.	ii. 390 person months of specialized training for 740 participants from fin. institutions.		
b. Central Bank			
i. Long-term U.S. training completed.	b.i. 10 Costa Ricans with Masters level training working in key departments of the BCCR.		
ii. Short-term U.S. training completed.	ii. 21 Costa Ricans with technical training working in BCCR.		
iii. In-country training completed.	iii. 165 person months of training for 360 BCCR participants.		
3. University System			
a. Long-term U.S. training completed.	3.a. 20 Costa Rican Professors with M.S. (14) & Ph.D. (6) level train. working in key university depts.	Mission, implementing entity and other contractor records, reports, & evaluation of project	
b. Short-term U.S. training completed.	b. 88 person months of technical training for 56 professors in key university departments.		

LOGICAL FRAMEWORK MATRIX

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATOR	MEANS OF VERIFICATION	ASSUMPTIONS
c. In-country training completed.	c. 1,320 person months of specialized training for 700 participants from university departments and private sector.		
4. Project Coordination and Management			
a. CINDE Training Department in place and functioning	a.i. 5 new professionals working in the office.	CINDE Records	Changes on the CINDE Board of Directors does not affect CINDE commitment to Project.
	ii. 1 accountant added to CINDE accounting department		CINDE will be receptive to technical assistance and to Project evaluations.
	iii. 1 Project Advisor providing technical support to the unit during first three years of the LOP.		Sufficient ESF local currency resources.
b. Project evaluations	b. Interim and final evaluation reports completed.	Mission, CINDE, and other contractor records and reports.	

Inputs

Life of Project ($000)

	AID	PART INST.	ESF LC	TOTAL
A. Training				
1. Private Enterprise				
U.S. Short Term	1,451	1,045	-	2,496
In-Country	248	2,712	512	3,472
Sub-Totals	1,699	3,757	512	5,968

1. CINDE Records and Reports.	1. Sufficient DA resources made available in FY 1984 and FY 1985.
2. Mission Accounting Records.	
3. Project Reviews	2. Sufficient ESF Local currency is made available by USAID/CR.

LOGICAL FRAMEWORK MATRIX

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATOR				MEANS OF VERIFICATION	ASSUMPTIONS
	AID	PART INST.	ESP LC	TOTAL		
2. Financial System						3. Financial situation of participating entities permits them to make their counterpart contributions.
U.S. Long Term,	408	187	-	595		
U.S. Short Term	288	106	-	394		
In-Country	210	506	169	885		
Sub-Totals	906	799	169	1,874		
3. University System						
U.S. Long Term,	939	363	-	1,302		
U.S. Short Term	273	78	-	351		
In-Country	349	780	175	1,304		
Sub-Totals	1,561	1,221	175	2,957		
Total Training	4,166	5,777	856	10,799		
B. Project Coordination and Management						
Salaries	-	-	833	833		
Equipment & Operating costs	-	-	266	266		
Long Term Tech. Assist. (36 p/m)	358	-	93	451		
Evaluation	75	-	-	75		
Overhead	-	-	262	262		
Contingencies	-	-	156	156		
Sub-Totals	433	-	1,610	2,043		
C. Contingencies	401	-	128	529		
TOTAL	5,000	5,777	2,594	13,371		

APPENDIX C

EDC PROPOSAL FOR REVISED PROJECTIONS
(for Delivery of Training January 1, 1989 - June 6, 1990)

Costa Rican Participant Training Project
November 28, 1988
Projections for Delivery of Training
January 1. 1989-June 6,1990

INTRODUCTION:

The contract for Costa Rican Training for Private Sector Development outlined the following training to be completed in the 24 month time period of the contract.

	Private Sector	Financial Sector	University
# of Participants	238	49	24
# of Participant months	358	89	31

It has become clear that these projections are unrealistic based on current projections by CINDE/PROCAP of numbers of participants available for training and length of time they could participate in training and on discussions held in Costa Rica November 9-17 between EDC, CINDE/PROCAP and USAID. In these discussions the following issues, which significantly influence the scope of training, were identified:

-Participants can attend training in the U.S. for shorter periods of time than the 6 weeks, previously projected;
-Fewer participants may be available for training;
-6 months into the project only one group has been trained due to delays;
-CINDE/PROCAP and USAID expressed priority that training emphasize quality over quantity;
-Training programs requested are for very specialized training and require program development and design of an individualized nature to meet requests.

In light of these issues, it is important to revise projections for completion of training.

These factors will result in fewer participant months of training. At this point in time it is difficult to predict the number of participants months that will be completed. EDC staff will continue to operate at a maximum commitment to complete as much training as possible. However, in order to deliver the training

projected here EDC would need to be assured that all allowable administrative costs could be recovered, up to the $284,474 contract amount, without reference to the number of participant months of training.

Following is a projection of the training that could be provided during the remainder of the contract period, given EDC's present level of administrative staff (full time Project Manager, 1/2 time Project Assistant, 1/4 time Project Planner). This is the most optimistic projection, based on current requests and a number of variables (see note on page 5) and on timely delivery of information on prospective participant groups and timely approval of proposed training programs.

These projections result in a total of 247 participants trained through June 6, 1990 or, if a six month extension is granted, a total of 321 participants trained. This would exceed the 311 participants projected in the contract, although the number of participant months is fewer. Within the overall purpose of the project, the number of people trained may be more important to the goals.

Projected Training
1989 *

	# of Programs	# of Participants	# of Participant Training months
Private Sector	8(@ 4 weeks) (Includes 2 or 3 repeat programs)	120 **	120**
Private Bankers	1(@ 3 weeks)	15	11.25
Central Bankers		11***	16.5
University Sector		18*	22.5

Projected Training
1990 (January 1-June 6)

	# of Programs	# of Participants	# of Participant Training months
Private Sector	4 (includes 1 or 2 repeats)	60**	60**
Private Bankers		--****	--
Central Bankers		4	6
University Sector		6	7.5

TOTALS:

	# of Programs	# of Participants	# of Participant Training months
Trained in 1988	1	13	16.25
Projected 1989-6/1990	13	234	243.75
Project Totals: (6/6/1988-6/6/1990)	14	247	260

NOTES:

* projections based on the following assumptions:

FOR PRIVATE SECTOR PROGRAMS:

-15 participants per training program
-4 week training programs
-some repeat programs
-participants in 1 geographic location
-participants at a single training institution
-agreement within participant group on training objectives and priorities
-participants within single group at comparable or compatible levels of training need
-selection of training institution that can provide most cost-effective training
-medium cost of living area
-no simultaneous programs
-1 group in same time frame (current administrative staff would be planning 2 programs while hosting and monitoring a third; some overlapping in dates may be possible, but 2 simultaneous groups would require additional staff.)

FOR UNIVERSITY TRAINING:

-internships at Northeastern University in Electrical Engineering and at Ohio State University in Foods Technology and Economics

(if assessment of new training needs or priorities surface different requirements, see "Factors Affecting Training Costs", page 9, Addendum)

** Based on groups of 15. We could accommodate up to 25 participants per group in most cases if compatible with training objectives.

***At the present time it is not known for how long Central Bankers can be available for training away from their jobs. Sponsoring U.S. financial institutions have indicated that they do not have staff to supervise day-to-day internships, but can provide short observational visits. If Bankers could attend training in groups of 10, larger numbers could be accommodated.

****Our present understanding is that fewer private bankers are available for training.

Possible Extension

An extension of 6 months though December 6, 1990 with same level of administrative staff, would allow us to complete the following additional training:*

June 6-December 6, 1990	# of programs	# of participants	# of participant training months
Private Sector	4(@ 4 weeks) (includes 1 or 2 repeats)	60	60
Private Bankers		--****	--
Central Bankers		5	7.5
University Sector		9	11.25
TOTALS	4	74	78.75

The additional administrative costs would be:

```
  $ 71,118
  + 10,000 (6 round trip air fares to Costa Rica
---------- plus per diem @ 8 days per trip)
  $ 81,118
```

Additional Program Funds would also be needed. Projections of amount would be made when more information is available regarding training requests.

* Based on assumptions in note* above, page 5. If more that one geographic location or training institution is requested, additional administrative costs will be required for staff time for coordination, air fare, per diem.

SUMMARY OF PROJECTIONS

	Private Sector	Financial Systems	University	TOTAL
1988-6/6/90				
# of Participants	193	30	24	247
# of Participant months	196.25	33.75	30	260

Extension

6/6/1990-12/6/1990

# of Participants	60	5	9	74
# of Participant Months	60	7.5	11.25	78.75

Addendum: Factors Affecting Training Costs

The following are factors which influence the cost of training. Given a limit of total training funds, it may be important to evaluate each training request in relation to these factors and to overall training objectives with regard to target numbers of participants and programs.

-Length of Programs	shorter programs have higher per participant costs
-Industry or sector of Training Requested	for example: Training for the banking industry tends to be 2 to 3 times more expensive than similar training for agribusiness; training in the tourism industry is about 2 times as expensive as the same level of training for agribusiness.
-Level of Participants	training for higher levels, such as company presidents, tends to be more expensive than training for persons in rank in the organization.
-# of Participants	beyond a minimum number of participants, the per participant training costs drop.
-Type of Institutions Providing Training	community college and state institutions tend to provide more economical training than private institutions.
-# of Geographical Areas Visited	domestic airfare increases with each additional location, ranging from $400-$700 per participant per additional geographic area; additional institutional support or equivalent in managerial and logistical support required.
-Location(s) of Program	Cost of living varies considerable in the United States; a high-cost region the maintenance cost is elevated.

-Level of Technical Expertise Customization	A second comparable group going through a specialized program that has already been developed should result in lower per participant cost, because new development costs are not necessary.
-Simultaneous Programs	additional staff for participant assistance/logistics/interpretations/management

77

APPENDIX D

PARTICIPANT INTERVIEW PROTOCOL

Basic Firm Data (from initial application)

Participante _____ Telefono_____

Carga_____

Empresa_____

Actividad_____

Valor de exportación_____

Productos_____

Exporta_____ _Sí_____No_____

_____

Impact

Ha implementado la empresa cambios despues de la capacitacion recibida por el participante. Explique

#_____

_____

_____

_____

LOGISTICS

Were you satisfied with the overall quality of the administrative arrangements for your training program i.e. recruiting/selection, travel, hotel, problem assistance?

_____

_____

_____

Any aspects particulary oustanding?

_____

_____

_____

Any aspects recommended to improve for future programs?

_____

_____

_____

Overall 0-10 rate logistics

pesimi maximi

Training

Were you satisfied with the overall quality of the training received?

_____

Appropriate for needs expressed _____

_____

Applicable to your situation?_____

_____

Clearly presented/understandable_____

_____

At apropriate level of difficulty_____

_____

Overall 0-10 Quality of training

_____

Duracion apropiada _____

Ha implementado la empresa algunos cambios despuès de la capacitación recibida. Explique _____ #_____

_____

_____

_____

_____

_____

De cuanta importancia son los cambios?

_____

Oportunidades de incrementar productividad _____

Oportunidades para nuevas ventas _____

Hay costos\beneficios para la empresa. Los costos son tiempo y sueldo del participante, además transporte, etc. Los beneficios son los incrementos. Cuanto tiempo necesita la empresa para recuperar esta inversión?

1 mes 1-3 meses 3-6 meses 6-12 meses 1 año nunca

	1	2	3	4	5	
Too Short						To long
Lively						Boring
Advanced						Elementary
Not Useful						Useful
Good Logistics						Poor Logistics
Localized						Foreign
Good Professor						Poor Professor
Much Variety						Little Variety
Satisfied						Dissatisfied
Good Attention						Poor Attention

APPENDIX E

PERSONS INTERVIEWED

APPENDIX E

PERSONS INTERVIEWED

A. In the U.S.A.

Sylvia Cowan, EDC, Project Manager
Alessandra Durstine, EDC, Project Assistant
Thomas Hulbert, Associate Dean, School of Engineering Technology, Northwestern University, Training Supplier
Karl Clauset, EDC, Contract Manager
Lan Pho, EDC, Former Contract Manager and consultant to project
Ron Israel, EDC, Director of International Programs
Alan Hurwitz, EDC, Consultant to project
Dr. John Edmunds, Babson University
Dr. Mel Copen, Rector, INCAE
Dr. Robert Grasso, Director, INTERBAN, University of Miami
Dr. Sylvio de Franco, Academic Director, INCAE

B. In Costa Rica

Joy Lucke, AID/San Jose, Project Adviser
Ing. Clara Zomer, Manager, PROCAP
Ing. Zoila Volio, PROCAP Manager of U.S. Training
MBA Arnoldo Carronza, Manager of CINPE - PROCAP joint program
Mases Sota, Gelente, Inversiones Nicoa
Bernardo Chiverri, Banco Nacional
Willy Loria, Manager, CAAP
Jose Retena, PROCAP Manager of Costa Rica training
Ivan Saballos, INCAE, Director of Export Management Program
Thomas Block, Librarian, INCAE
Clara Polanca, Assistant Director, Banking Program, INCAE
Lourdes Peralta, Costa Rica Country Secretary, INCAE
Alvoro Estrada, Manager of programs, CAAP
Noel Vidaurra, Manager, INCAED-ROCAP Project

<u>Program Participants</u>

Mario E. Coto Carronza	Flores
Gary Barquero Arca	Flores
Alexandra Leon	Ornamentales
Jose Miguel Iglesias	Ornamentales
Humberto Elizando	Textiles
Jesus Quesada	Textiles
Jose Murillo Herrera	Fresos
Augusto Incer Arias	Fresos
Ali Gamboa	Raices
Juan Gonzalez	Raices
Maria del Pilar Pls Rivel	Flores
Eugenia Cormona	Textiles
Liga Maria Guilles	Textiles
Guillermo Vidaurro Avilas	Fresos
Nehamo Villalobes	Raises

APPENDIX F

DOCUMENTS CONSULTED

DOCUMENTS CONSULTED

1. Analisis de Necesidades de Capacitacion de los Bancos y Financieras afiliadas a la Asociacion Bancaria Costarricense, Doc. PROCAP No. 1/84.

2. Plan de Capacitacion, Sector Maquila, Doc. PROCAP No. 2/84.

3. Plan de Capacitacion Sector Horticultura Ornamental, Doc. PROCAP No. 3/85.

4. Plan de Capacitacion, Sector de Actividad Pesquera, Doc. PROCAP No. 5/85.

5. Estudio de Necesidades de Capacitacion, Sector Productos de Cuero, Doc. PROCAP No. 6/86.

6. Estudio de Deteccion de Necesidades de Capacitacion en las agencias de aduana y empresas de transporte, Doc. PROCAP No. 2/86.

7. Programa de Fomento a la Excelencia Academica e incorporacion al Mercado de Trabajo, Doc. PROCAP No. 3/86 V. 1 Abril 1986.

8. Estudio sobre necsidades de Capacitacion, Sector Financiero Privado Costarricense, Dov. PROCAP No. 4/86.

9. Estudio sobre Necesidades de Capacitacion en el Servicio Nacional de Aduanas, Doc. PROCAP No. 5/86.

10. Estudio sobre Necesidades de Capaciatcion en el Servicio Nacional de Aduanas, Documento Anexo. Contenido de los cursos Universidad de Costa Rica, Escuela Aduanera Braulio Carrillo, Doc. PROCAP No. 6/86.

11. Estudio de Necesidades de Capacitacion, Sector Industrial de Juguetes, Doc. PROCAP No. 7/86.

12. Informe final Necesidades de Capacitacion, Sector Industrial de Equipo y Material Medico, Doc. PROCAP No. 6/87.

13. Estudio sobre las Necesidades de Capacitacion en empresas dedicadas a la Comercializacion de Productos Costarricenses en el Exterior, Doc. PROCAP No. 7/87.

14. Estudio sobre las Necesidades de Capacitacion en el Sector de la Confeccion Textil, Doc. PROCAP No. 8/87

15. Estudio sobre las Necesidades de Capacitacion a nivel de Tecnicos Medios y Bajos en la Industria de la Electronica y empresas afines, Doc. PROCAP No. 9/87.

16. Estudio sobre actividades realizads por PROCAP para satisfacer las necesidades en los Estudios Sectoriales, Doc. PROCAP No. 1/88.

17. Estudio sobre las Necesidades de Capacitacion Sector Plasticos, Doc. PROCAP No. 2/88.

18. Estudio sobre "Necesidades de Capacitacion en las instituciones financieras asociadas a la A.B.C.", Doc. PROCAP No. 2/89

19. Costa Rica Project Paper, Training for Private Sector Development, USAID.

20. Quarter I, Summary Report of Activities, EDC.

21. Quarter II, Summary Report of Activities, EDC.

22. Quarter III, Summary Report of Activities, EDC.

23. Quarter IV, Summary Report of Activities, EDC.

24. A Proposal: Short Term Training for Costa Rica, EDC.