

PROJECT ASSISTANCE COMPLETION REPORT

Title : Human Resources Development

Project No. : 517-0127

Funding Period : FY 81 - FY 89

AID IOP Funding: : \$5,400,000

\$4,250,000 Loan

\$1,150,000 Grant

Amount Obligated : \$5,400,000

Grantee : Fundación APEC de Crédito Educativo

PACD : January 25, 1989

Project Manager : Héctor Pérez, HRD

Background:

The Human Resources Development Project Grant (517-0127) (Loan 517-V-036) was signed in 1981. The original PACD of September 25, 1985 was extended twice- first to September 25, 1988, and finally to January 25, 1989. The purpose of the Project was to expand vocational and managerial training opportunities for Dominicans interested in studying in priority areas in vocational/technical training programs or management training programs for small and medium-sized enterprises. The Project consisted of four components: 1) student sublending by FUNDAPEC for vocational/technical training; 2) strengthening of vocational/technical training institutions through procurement of commodities; 3) subloans for the managers of small and medium-sized businesses; and 4) strengthening of FUNDAPEC as a support agency and voc/tech institutions through faculty training. The first three components were loan-funded and the fourth was grant-funded. Of total funding of \$7.6 million, AID provided \$5.4 million: 4.25 million in loan funds to FUNDAPEC, guaranteed by the Dominican government, and \$1.15 million in grant funds. The FUNDAPEC counterpart contribution was 2.2 million.

I. Project Status:

TABLE I  
Status Summary

<u>Project Component</u>	<u>Expected Outputs</u>	<u>Actual</u>
1. Student Sub-loans	3,500-4,000	5,300
2. Sub-loans to S/M business managers	1,050	4,366
3. Voc/Tech Faculty Training	40 - 80	107

The extension of the PACD from September 25, 1988 to January 25, 1989 was authorized in order to utilize the remaining dollar funds to fulfill additional training needs for participants enrolled in voc/tech schools, and to continue the managerial training component. The other two components of the Project were completed as programmed by September 25, 1988.

TABLE II  
Project Status at Completion

<u>Activity</u>	<u>Status</u>
A. <u>Student Sub-loans</u>	<ul style="list-style-type: none"><li>- A total of 5,300 loans for RD\$ 11.7 million were financed. Of the total number of loans, 3,230 or about 70% have either been repaid or are being repaid on schedule. The number of loans exceeded the IOP target of 3,500 - 4,000 loans.</li><li>- Students have used these loans to fund technical training at voc/tech institutes and universities.</li></ul>
B. <u>Sub-loans to small/medium business managers</u>	<ul style="list-style-type: none"><li>- 4,366 business owners and managers received loans for a total of RD\$2.4 million to take short courses ranging from 2 to 9 months in local institutes and universities. The courses have allowed them to improve their managerial knowledge and skills. Of the loans financed, 2,291 or 52% have either</li></ul>

been repaid or are being repaid on schedule. The number of loans exceeded the IOP target of 1,050 loans.

C. Strengthening of voc/tech training institutions

-Procurement of Equipment

- A total of US\$506,000 was loaned to 14 voc/tech institutions for purchasing computer equipment. All the equipment was received and distributed among the beneficiary institutions.

-Plans for institutional development

- 34 voc/tech institutions completed their plans for institutional development including staff and equipment needs.
- Two seminars on Planning and Evaluation of Voc/Tech programs were conducted through which 108 administrative staff members were trained.

-Faculty training

- A total of 107 faculty and administrative personnel from voc/tech institutions participated in 3 short-term courses on Strategic Planning and Curriculum. The first two courses (Sept. 87 and May 88) were held at New Mexico University. The last course (Aug. 1988) was held at Texas A & M.
- A seminar on Leadership Techniques in Education, and on Curriculum Development was offered in Santo Domingo for 25 members of voc/tech institution faculty.

D. Institutional Strengthening of FUNDAPEC

-Procurement of equipment

- FUNDAPEC's information management system was considerably improved by purchasing the following computer equipment: a 34 IBM computer with a printer and PCs. To improve the data

base of the Employment Center and to publish a statistical bulletin on voc/tech institutions, a Macintosh computer, and a Laser Printer were also purchased.

**-Technical Assistance**

- FUNDAPEC received technical assistance to design a management information system for the Project.
- 10 administrative personnel received training relating to management of the project.

**-Job Placement Center**

- A Job Placement Center was created to assist the students who had finished their studies under the loan program, and who were looking for work.
- The Center has a data bank on 203 enterprises, and 1,850 student records. 700 trainees have been sent to business' firms requesting qualified applicants and 146 were employed.

**E. Evaluation**

- A Mid Term Evaluation of the Project was conducted in May, 1985.
- Two Seminars on Planning and Evaluation were conducted (5/87 and 6/88) for all the voc/tech institutions participating in the Project.
- A Project Impact Evaluation was conducted among the students who finished their studies under the educational sub-loan program.
- A Seminar to determine the training needs of small/medium sized enterprises was conducted prior to providing loans for training.

II. FINANCIAL STATUS

The financial status of the HRD Project is summarized in the following table:

TABLE III

FINANCIAL STATUS AT COMPLETION

<u>Element Number</u>	<u>Element Description</u>	<u>Fund Type</u>	<u>Obligations</u>	<u>Expenditures</u>	<u>Pipeline</u>
01	Technical Assistance	(G)	480,000	479,427	573
02	Commodities	(G)	185,000	184,997	3
03	Off-shore Training-FUNDAPEC	(G)	45,000	31,496	13,504
04	Faculty training	(G)	400,000	415,529	-15,529
05	Publications	(G)	15,000	15,000	0
06	Evaluation	(G)	25,000	18,360	6640
07	Sub-loans students	(L)	3,116,779	3,116,779	0
08	Sub-loans to SME managers	(L)	485,221	481,993	3,228
09	Sub-loans voc/tech equip.	(L)	648,000	459,591	188,409
TOTAL			5,400,000	5,203,172	227,886

III. LESSONS LEARNED

Lessons learned under this project relate to equipment procurement for voc/tech institutions. In this regard, two problems need to be highlighted: procurement delays, and equipment selection. In order to minimize procurement delays it is suggested that: 1) future project designs place more emphasis on adequate lead-time for procurement, and 2) monitoring activities during the procurement process be conducted on a timely and regular basis. To assist voc/tech institutions in exercising technically sound judgement in selecting the appropriate equipment to meet their institution needs, it would be advisable for the Project Implementing Agency to contract the services of an Education Procurement Consultant.

IV. CONCLUSIONS

In terms of reaching its goal and achieving its purpose, the HRD Project can be considered a success. Training opportunities for Dominicans interested in studying in priority areas in vocational/technical programs or in small and medium-sized enterprise management training have been significantly expanded. The core of the project was to provide education for students in secondary school technical institutes and university-level technical and professional programs. One of the primary factors limiting enrollment in these programs, especially among the poorer candidates, was the lack of adequate monetary resources. The HRD project satisfied a considerable portion of the large demand for voc/tech training by supplying educational credit. With the funds

generated by the sub-loan repayments over the life of the project, a revolving fund has been established by FUNDAPEC to finance future participants requesting loan assistance for studies in vocational/technical careers. Consequently, with the availability of the educational loans, there has been an improvement in the income, productivity, and overall quality of life of Dominicans through increased skills training. In addition, through the Small and Medium-size Enterprise Training component, FUNDAPEC established a program to provide direct credit to persons occupying management positions in medium and small companies, and to self-employed persons and potential managers who could be employers after receiving the appropriate management training. Three types of training courses were usually considered for financing: specially designed short courses; academic courses in regular university programs, and correspondence courses.. These courses have had a direct impact on the management of the businesses involved.

FUNDAPEC -the project implementing agency- and 14 vocational/technical institutions have benefitted greatly from the technical assistance and commodity procurement provided under this project. FUNDAPEC staff received short term off-shore training in credit management and collections, the credit approval processes, record-keeping, and voc/tech curriculum development. FUNDAPEC was also able to purchase a computer and software which has improved its capacity to provide educational loans to both students and institutions. The assistance given to voc/tech institutions which consisted primarily of commodity procurement subloans, off-shore training of their faculty members, and in-country seminars on institutional development, enhanced the teaching as well as the administrative capabilities of those institutions. In summary, despite its complexity and difficulties confronted, the major project activities and expected outputs were successfully accomplished.