

FEPADE's MGMT/ADMIN training achievements have helped to establish FEPADE's credibility within a very competitive training area. Most notable has been their success at generating demand for an in-company training program in Quality Control Systems and Procedures. Almost half of MGMT/ADMIN training has been organized on an in-company basis. The MGMT/ADMIN Department has also established a graduate degree program in Business Administration in association with the University Francisco Marroquin, which is not now a part of the project. However, FEPADE plans to incorporate all of its management training under a quasi-independent institute.

FEPADE has also developed a voluntary Commission and Advisory Committee with eight employment sectors, which represents a major project achievement. Most of these advisory groups are active, and they play important auxiliary roles in predicting manpower demands, setting training priorities, and allocating training resources.

In addition to its effective implementation of the project, FEPADE has been contracted through other international development agencies to administer two other large technical/vocational training projects: the ITCA/BID Project that will train middle-level technicians, and the IBRD/Ministry of Labor Training Project that proposes to train 6,000 workers in the construction sector. These two projects together have a high potential for synergism.

Despite these impressive training achievements, the project has not met some of its qualitative goals. Most importantly, progress toward establishing self-sufficiency within FEPADE and within the training institutions has been very slow. Although the 50/50 cost-sharing of training prescribed in the Project Agreement has been maintained on a global basis, it does not present significant progress towards financial self-sufficiency, since the indirect costs of participants' time spent in training are included in this calculation. Also, the progress made by the MGMT/ADMIN training program towards self-sufficiency has been hampered by its reliance on expatriate instructors, which has also resulted in high instructional costs.

Although FEPADE's administrative systems and capabilities are adequate for administering project activities, its internal information systems are inadequate for most purposes. Most notably, the systems for monitoring and evaluation of training activities would benefit from a retooling. In addition, more effective financial systems would result from implementing a more precise budgeting, monitoring and feedback system.

The Educational Credit Program has failed to achieve project goals, probably due to low demand for such loans. At a ratio of four employees to 51 active loans, the carrying costs are excessive. Also, no capacity has been developed to carry on continuous sector-specific labor needs projections, although FEPADE has effectively used its technical advisory committees for estimates of manpower needs; employers are not paying an equitable share of training costs; and testing procedures for TEC/VOC training need to be strengthened. Also, FEPADE's agriculture sector sub-program, not necessarily designed to be a high profile project component, should be monitored carefully, especially in view of other organizations (e.g., FUSADES-DIVAGRO) who may be better positioned to perform agricultural subsector training.

Finally, FEPADE's project design and strategic plan should be reviewed and redefined, in view of the progress FEPADE has made towards achieving the original project objectives. Specific issues to be studied include reconciling the doer/broker role, clarifying the future of the credit program and establishing target objectives for economic self-sufficiency.

A.I.D. EVALUATION SUMMARY - PART II

SUMMARY

J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided)

Address the following items:

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

Mission or Office:	Date This Summary Prepared:	Title And Date Of Full Evaluation Report:
USAID/El Salvador	May 6, 1991	FEPADE Mid-Term Evaluation - 02/91

The Training for Productivity and Competitiveness Project aims to develop the Salvadoran private sector human resources through special training programs and linkages between the productive sectors and educational institutions. The Foundation of Entrepreneurs for Educational Development (FEPADE) is implementing the project with life-of-project funding of \$14 million over a five-year period (1987-1992). This mid-term evaluation was conducted by Management Systems International, Inc., on the basis of a review of project documents, key informant interviews, site visits to FEPADE training institutions, and a formal survey of training participants in El Salvador. The purpose was to assess project progress and make recommendations as necessary to improve project implementation. The major findings and conclusions are:

- FEPADE has met or surpassed most of its project goals within the first three years of the project, and has developed a new set of projects. Its administrative systems are generally adequate for implementing the project although updates of some systems would be useful. For instance, the budgeting and financial planning system needs to be refined, and the evaluation system needs more empirical and performance-based input.
- FEPADE is generating self-sufficiency goals. There is evidence that in the two entities in which FEPADE itself performs the training role there are excellent opportunities to achieve greater economic self-sufficiency.
- FEPADE possesses an impressive training history, but would benefit from developing a more precise budget and control system. FEPADE would also benefit from a revision of their MIS and evaluation systems.
- The project design target objectives for self-sufficiency need clarification, including reference to the doer/broker issue.

"Lessons Learned"

- Project expenditures have been less than anticipated. The practice of appropriate annual budgeting and financial planning procedures would have maintained project expenditures and accomplishments at a more appropriate and beneficial level.
- It appears that FEPADE is beginning to spread itself out over a large, perhaps too large, base. Examples are: public vs. private sector training, technical training vs. moral y civico, business management vs. technical skills training. The lesson is that emerging institutions, while they must grow, run the risk of fragmenting their energies if they diversify too much, too quickly.

ABSTRACT

II Evaluation Abstract (Do not exceed the space provided)

Purpose and Methodology

This mid-term evaluation of AID's Training for Productivity and Competitiveness Project was carried out to assess project progress in reaching its goals as well as to examine the financial self-sustainability of the implementing agency, beyond the life-of-project. The methodology consisted of a formal survey of training participants and selected supervisors, discussions with FEPADE and USAID staff, and site visits to training institutions in El Salvador. The evaluation team reviewed the basic project components and appropriateness of design, the institutional role of FEPADE, the effectiveness and relevance of training, program and financial management, and FEPADE's Scholarship and Educational Credit Programs.

Major Findings and Conclusions

Over seven thousand people have received technical/vocational or managerial training during the first three years of the project. Overall cumulative outputs registered at this three-year juncture are approximately the same as those expected for the five-year level. Based on a survey sample, most participants in FEPADE training courses have up-graded their skills and improved their employment situation, both in terms of promotions as well as in improved performance. Indeed, the evidence suggests that FEPADE training has been relevant, effective and well-received.

FEPADE's decentralized system of administration has permitted the two principal operations centers, the Technical/Vocational Department (TEC/VOC) and Management/Administration Department (MGMT/ADMIN) to function with a high degree of autonomy. The result has been the generation of a lot of creative energy in their respective training programs. The project has achieved a balanced allocation of its resources, which is roughly proportional to the vocational training needs expressed by the private sector. Vocational and technical training accounts for about 75 percent of project activity, most of which has focused on the Construction Trades, the Apparel Manufacturing Sector and the Automobile Service Sector.

The qualitative success of the TEC/VOC training program is in large part predicated on the organization of courses on a modular basis and the use of competency-based instructional systems. The TEC/VOC Department has been successful in introducing these advanced vocational education principles into most of their course designs, instructor and student manuals, and testing procedures. The FEPADE TEC/VOC training program has contracted out training to a varied group of technical training institutes, private voluntary organizations, private academies, and private firms. It has established a new training institution, La Escuela Taller Automotriz, that is directly administered by FEPADE.

C O S T S

I Evaluation Costs

1. Evaluation Team		Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
Name	Affiliation			
Antonia D'arona Bodner,	International Consultant	35	19,751	519-0315
John Guy Smith		48	27,086	519-0315
Roberta J. Warren,	Chief of Party	50	19,705	519-0315
HAGEBOECK		7	4,089	519-0315
2. Mission/Office Professional Staff Person-Days (Estimate) <u>7</u>		3. Borrower/Grantee Professional Staff Person-Days (Estimate) <u>21</u>		

PRINCIPAL RECOMMENDATIONS

Project Management should carefully monitor the following issues and program elements:

- FEPADE's tendency towards expansion and incorporation of new programs. To continue to do so may overly fragment the institution's energies and resources.
- The Taller Escuela Automotriz should be administered by FEPADE as an independent business supported by matriculation and placement fees.
- ISADE's four-year plan should be reviewed to determine if it is realistic to think of MGMT/ADMIN as a self-sufficient element.

Project management should work towards strengthening the following program elements:

- Monitoring, evaluation and feedback systems.
- TEC/VOC should encourage its training sub-contractors to administer both pre-enrollment and post-training tests for training in technical areas. TEC/VOC should also establish a formal placement service for the apparel industry (and perhaps others) and charge employers placement fees.
- Self sufficiency goals for all program components need to be reviewed and new targets agreed upon.
- Targets need to be set for the significant involvement of women at all levels of training programs.
- The number of training programs offered in the non-San Salvador area need to be increased.
- A well designed Strategic Plan leading to economic self-sufficiency needs to be designed.

Project management should work towards reducing or eliminating the following program elements:

- Agricultural sector training is not FEPADE's forte. Therefore, FEPADE should be wary of any expansionist tendencies into that sector.
- CCNOCODE should be managed from the Ministry of Education, as opposed to FEPADE.
- The educational credit program should be discontinued, due to lack of interest and a negative cost/benefit ratio.

Project Management should work towards redefining the following program elements:

- The MIS should shift its information priorities from accessing external sources of information to accessing, cross-referencing and analyzing internally generated information, thereby establishing an interrelated computerized information center that enhances and integrates existing systems.
- TEC/VOC resources should be used for upgrading skills of construction workers and supervisors, rather than entry-level training for construction.