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PROJECT ASSISTANCE COMPLETION REPORT

DEVELOPMENT AND MANAGEMENT TRAINING

(386-0487)

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TABLE OF CONTENTS

I. INTRODUCTION	1
II. PROJECT GOAL AND PURPOSE	2
III. PROJECT HISTORY	2
IV. PROJECT STATUS AND ACCOMPLISHMENTS	6
A. Introduction	6
B. Public Sector	8
C. Private Sector	9
D. Women-in-Development	11
E. Housing	11
F. Sustainability	12
V. LESSONS LEARNED	12
VI. MISSION FOLLOW ON ACTIVITIES	13
VII. ATTACHMENTS	
A. Covenants	
B. Summary Financial Statement	

I. INTRODUCTION

To facilitate sustained economic development in India, the technical and managerial skills of several key government agencies must be equipped to handle development projects and programs. One effective way to upgrade an organization's capabilities is to provide training and professional development opportunities to the organization's staff. USAID/India (USAID/I) has a long history of involvement in training and manpower development for policy makers and technical personnel at various levels in the Government of India (GOI). The majority of the USAID projects in India have had training components and, since the resumption of the A.I.D. assistance program in 1978, training of government personnel has been steadily increasing as the Government of India (GOI) and USAID have both recognized that training is a highly cost-effective means of technology transfer.

Requests for training were often received, to which USAID/I was unable to respond because the training, while relevant to USAID/I objectives, could not be justified under a specific project. In addition, there was a need to provide training in sectors where USAID/I intended to support future projects. This pre-project training would not only accelerate implementation when the project was initiated, but would also enable USAID/I to acquire a better understanding of the sector itself, thus increasing the probability of a good design and successful implementation. The Development and Management Training (D&MT) project, therefore, was designed to permit both USAID/I and the GOI greater flexibility in responding to those special training needs and to offer training opportunities to a mixed group of GOI and private sector personnel.

II. PROJECT GOAL AND PURPOSE

The goal of the D&MT project was to increase the institutional capacity of the GOI development agencies with regard to planning and implementing development activities of high priority to both the GOI and USAID/I. The project purpose was to strengthen the managerial and technical capabilities of public, and where appropriate, private sector manpower in areas of GOI and USAID/I collaboration.

The purpose was to be achieved by providing training primarily to senior and mid-level GOI officials and to selected individuals/organizations from the private sector. As a result, the capacity of the GOI development agencies to plan and implement development activities would be increased. It was envisaged that the majority of participants would receive short-term training conducted by Indian educational institutions or by Indian and U.S. teams in India. It was also envisaged that a limited number of people would be trained in the U.S.

It was initially envisioned that 1300 individuals would be trained, up to 1200 in-country, with the remaining participants trained in the U.S. At least 15 percent of the trainees would be women, and not less than 75 percent of those trained would return for at least one year to the same or similar position to the one held prior to training.

III. PROJECT HISTORY

The D&MT project was authorized on September 24, 1982 with a planned USAID/I grant funding of \$6.1 million, a GOI contribution of \$2.1 million and a project completion date of June 30, 1987. The project was extended to June 30, 1992 and had a life of project funding of \$9.476 million in USAID/I funds and a GOI contribution of \$3.2 million. According to the mid-term evaluation which was conducted in September 1987, the D&MT project, after a slow start, had become a resounding

success, contributing significantly to GOI and USAID/I's objectives. The team found that the project was being administered well, was conceptually sound, and was affording USAID/GOI an opportunity to make significant contributions to Indian development. The project was providing short term training in India and the U.S. to public and private sector personnel in areas of GOI and USAID/I's priority. The areas had been defined jointly and included agriculture, irrigation, health, women and child development, environment, energy and social welfare.

The evaluation team noted that in-country, in-service training was substantially more important than the U.S. training. However, the evaluation team commented that the U.S. training did have significant value when utilized properly, as was being implemented in the subproject involving the Council on Scientific and Industrial Research. This activity focussed resources on a single, carefully designed, cohesive program of scholar-scientist exchanges, in which all U.S. bound Indian participants and all India bound U.S. participants would share the same program goals.

Subsequent to the mid-term evaluation, the scope of the project was expanded substantially to include four major additional areas. These areas were: informatics for health; scientists' exchange; housing and urban development; and special projects (this final area was intended to respond to training and technical assistance requests from the private sector).

According to the mid-term evaluation, the project had increasingly been involved with activities in the private sector, the majority of which were training courses sponsored by private women's organizations in the promotion of a greater role for women in Indian development. Private sector activities were also supported under project elements of energy, environment, and the special projects area.

Both the mid-term evaluation and the USAID/I Human Resource Development (HRD) Strategy (the latter completed in September 1987), strongly supported continuation

of a D&MT-type project. The reports noted that HRD provides a useful context and a starting point for a wide array of activities, ranging from training in its basic form to the application of training in an organizational setting and the strengthening of institutional capacity itself. As the project progressed, the GOI requests for training increased as concerned central ministries gradually became more aware of the project's ability and potential to finance essential training in an expeditious manner. The project had a well established and effective procedure for expeditiously channeling requests through the GOI to USAID. The GOI, through the Department of Economic Affairs (DEA) accepted a modus operandi which was unique in USAID/I's portfolio. Subsequent to DEA and USAID approval of an overall training plan for a particular ministry sponsored activity, including a budget, project funds were released directly by USAID to the concerned training institution. This procedure was unique in that it avoided the necessity of first channeling the funds through the Central Government's bureaucratic and time consuming procedures which are required as part of the implementation of other USAID bilateral projects.

In view of the successful experience of the D&MT project, USAID/I determined that an expanded project scope would be appropriate and a project paper supplement was approved in August, 1988. In the supplement, the project's goal and purpose did not change; however, a number of new focal sectors were incorporated, and the project was restructured to include housing related training, expanded involvement of the private sector in training and development of HRD activities, study trips related to specific training activities, the exchange and collaboration of scientists, on-the-job training and seminars, continued emphasis on women-in-development, and support for an information technology project in the area of health.

The restructured project provided separate funding for certain special project activities that would support the strengthening of the capacity of the selected training institutions in technical education, management education and entrepreneurship development, and would have far reaching implications in their respective specialized

areas. Those special sub-projects included:

- the Collaborative Research under the Council of Scientific and Industrial Research of India and the National Science Foundation of the USA (CSIR-NSF) Exchange program;

- the Medical Literature Analysis and Retrieval (MEDLARS) project (involving access to the world's largest medical database and setting up of a computerized medical information storage, retrieval and dissemination system); and

- training and technical assistance in the area of Housing and Urban Affairs.

Assistance to the private sector for training and technical support, as well as for broader HRD activity, was a major focus area under the special project activities. In addition to short term training both in the U.S. and in India, the project was being expanded to include large sub-projects such as the Medical Literature Analysis and Retrieval System (MEDLARS) project which would have a major impact on the quality of medical research information available in the country. The MEDLARS project would provide access, for Indian medical professionals and academics, to a system of computerized medical information that incorporates the most recent advancements in the area of medicine across the globe.

When the project was extended to June 1992, plans were well underway for further private sector activities such as:

- a. supporting additional training activities related to the housing program. A major new thrust of the project in the final extension period was to support USAID/GOI's housing and urban development strategy through training and technical assistance. Since recent GOI policy had explicitly stated that the private sector would take the leading role in housing construction, this new thrust in the field of housing and urban development would provide training to help a number of

institutions deal with the analytical challenges of the new policy. Training was to assist the private sector housing finance companies upgrade their staff, prepare longer term HRD plans, and manage private financing programs for low income housing. The project had been supporting and would continue to support the participation of Indian policy makers in training programs designed to improve their understanding of the private sector's role in housing finance and delivery.

b. supporting the Administrative Staff College of India (ASCI), a prestigious non-governmental organization which provides management training in key subjects such as export marketing and privatization.

c. supporting a series of training programs for entrepreneurship development in the area of new and renewable sources of energy.

d. technical assistance support to Over-the-Counter (OTC) Exchange of India in the area of information technology, market operation and monitoring. OTC Exchange is the country's first electronic exchange with several innovative features, that was set up to provide small scale businesses access to the capital market as a source of finance.

IV. PROJECT STATUS AND ACCOMPLISHMENTS

A. INTRODUCTION

The D&MT project has proved to be immensely successful because of the flexibility of its operational mechanism, its ability to respond to diverse human resource development and training activities, and its wide degree of acceptance with the GOI, state level agencies and institutions.

Since its inception in 1982, the D&MT project has been supporting training and training related activities such as workshops, seminars, study tours, an exchange

program for scientists and on-the-job training, and has generated trained manpower in diverse fields such as power, agriculture, water resources, health, environment, human welfare and women-in-development. U.S. technical assistance was provided in many workshops and courses. Agricultural courses, courses related to women and child development and the handicapped were completed; workshops in telecommunications, and bioinformatics were held. U.S. technical expertise proved very beneficial in areas where the U.S. has a comparative advantage. In agriculture, for example, the U.S. Department of Agriculture worked closely with the Ministry of Agriculture and the Indian Council of Agriculture Research to develop and adopt new training methodologies and techniques for agriculture extension. In the energy sector, the project responded to a key policy need by supporting a high level policy workshop on privatizing the power sector which was attended by a number of U.S. power sector experts. The project helped bring together a high level private sector power team from the U.S to talk about power sector issues with the Ministry of Energy. In addition, a U.S. consultant helped the Ministry of Welfare develop an HRD strategy and training plans for its six national institutes.

Technical assistance from the National Association of Securities Dealers (U.S Over the Counter Exchange) to OTC Exchange of India was instrumental in helping OTC to operationalize the exchange. The concept of an electronic exchange being new to India, D&MT technical assistance filled the knowledge gap and helped the exchange better address the start-up problems.

The D&MT project was an important mechanism for some very useful short term training in the U.S. for middle and senior Indian professionals and policy makers. The project supported Indian participation in a number of courses in areas such as privatization, capital markets development, bank restructuring, innovations in the finance sector.

During its life, the project trained approximately 9,150 people in India through in-

country training programs and about 500 middle and senior people from both the private and the public sector in the U.S. In addition the project offered collaborative project development opportunities to 25 American and an equal number of Indian scientists in India and the U.S. The project has also played an important role in providing Indian institutions access to U.S technical expertise through the visit of U.S experts to India on specific project activities.

Training and human resource development is viewed as a key factor contributing to the important economic parameters of employment, value addition and international trade. The D&MT project, through its training and management development programs, has appropriately tried to ensure that these and related macro issues were suitably addressed and were kept in focus at the project's operational level.

The multi-sectoral design of the D&MT project has enabled support to to be provided to a host of human resource and management development initiatives through national and regional institutions. The ability of the project to respond to the important needs of training and human resource development has been appreciated by the GOI and grantees alike.

B. PUBLIC SECTOR

During the life of the project, funding was provided to support the participation of middle and senior level government personnel in key training programs in the U.S. Areas of training included restructuring of financial institutions, privatization, and debt restructuring, all of which are highly relevant, particularly in light of the recent economic reforms announced by the GOI.

Institution Building - by virtue of the project design, i.e., the training of GOI personnel, resulted in an enhanced institutional capability and institution building was incorporated into the heart of the D&MT project itself. In addition, the project

supported a variety of specific institution building activities. The project helped the Indian National Informatics Center to establish collaborative linkages with the U.S National Library of Medicine, and it approved funding to procure office equipment and computers for the D&MT project management office in the Ministry of Finance. In addition, under the project's agricultural sector program, four comprehensive courses for training of trainers from the Ministry of Agriculture were organized with technical assistance from the U.S. Department of Agriculture (USDA). The courses were rated highly, both by the participants and the Ministry of Agriculture, for their training methodology and course content. This project is particularly significant from the point of view of sustainability in light of the fact that subsequent to these training courses, the Indian extension personnel have developed a training manual based on the USDA pattern which is more appropriate for the Indian agriculture extension system. The training methodology has also been extensively replicated.

C. PRIVATE SECTOR

The project provided a highly flexible resource for promoting open market/society themes across sectors and allowed close interaction with the Ministry of Finance and other key ministries on development concerns linked to these two themes. The private sector was involved as both recipients and as providers of training. The project arrived at a formal understanding with the GOI on the participation of the private sector and produced the following accomplishments:

- The project sponsored technical assistance from the New York area electrical power generating and management institutions which fostered a policy dialogue on issues relating to the interchange of power among utilities, particularly the pricing of power. Given that non-market determination of prices for power is a major cause of problems in the Indian power sector (which is a key constraint to private sector industrial development), the success of this activity in stimulating the GOI to rethink its power pricing policy was potentially a major step toward increasing private participation in the expansion of India's electrical power generation capacity.

- The Ministry of Energy (MOE) agreed to a first-of-its-kind training program to develop private entrepreneurship in the area of new and renewable sources of energy. Two training programs for entrepreneurship development in the field of renewables were organized by the Indian Renewable Development Agency with technical support from the Indian Institute of Technology. These programs were designed to promote the growth of private enterprise and innovation. The program was particularly cost effective in promoting the development of new private ventures and has resulted in the promotion of four small scale enterprises using renewable technologies.

- The project supported an NGO workshop on environmental education which was well received by the GOI and by the international donor community.

- Four private sector officials attended a conference on micro-enterprises in Pakistan, and four private sector representatives participated in a conference on private enterprise and the informal sector organized by the Center for International Private Enterprise, U.S.

- The project provided support for a conference entitled "Facilitating the Environment for Investment and Technology" organized by the Indo-American Chamber of Commerce. The conference served as a forum to discuss the importance of continuing the liberalization of the trade and investment regimes in India. A comprehensive action plan was prepared as a result of the conference and given to the Prime Minister.

- The project financed a proposal from the Marine Products Export Development Authority to train Indian seafood professionals from the private sector in the U.S. Fifteen professionals received training, and in view of the success of this program, the Ministry of Commerce has asked that it be repeated, as processed seafood is an increasingly important component of India's exports.

- The assistance to the OTC Exchange of India mentioned previously was another example of the project's ability to be responsive to private sector needs.

D. Women-in-Development

A major component of the project was women-in-development. The D&MT project supported a large number of voluntary organizations, most significantly in the area of women-in-development. The project supported 80 training courses for women across the country. Most of these courses were oriented toward improving skills of women, increasing their income generation capability and generating self employment. Under the auspices of the project approximately 1500 women were trained.

E. Housing

During its last two years, another major thrust of the D&MT project was private sector housing. The project fostered the process of providing a better understanding of the involvement of the private sector by sponsoring the travel of officials from commercial banks and the GOI to the U.S. to meet with housing sector related agencies such as the Federal Loan Board and to attend training programs. The project also provided consultants from the Urban Institute who prepared a comprehensive study of the secondary mortgage market (a new area for the GOI as such mechanisms were non-existent in India as of April 1990). The purpose of that study was to help the GOI to develop its plans and programs in the future. Technical assistance and training support to the National Housing Bank/Ministry of Urban Development has also fostered a better understanding of the private sector role and has contributed to a rethinking of policy options in the areas of housing finance and urban development. Following the Fels Center for Government (University of Pennsylvania) team report on developing a strategy for housing finance training, the Indian Human Settlement Management Institute (HSMI) prepared a proposal for collaboration with Fels, the objective of which was the development of a national agenda on training and research

in housing finance. Another notable project activity was the first land seminar held to discuss the issues of public-private partnerships in land development. The seminar brought together the government and private land developers and provided a forum for developing future private partnerships in land development.

F. Sustainability

Sustainability was incorporated into the design of the project itself through the institutional development that resulted from both specifically designed institutional development activities, as well as the secondary benefits of increased skills in project trained participants. In addition, the exposure to new techniques, both managerial and technical, promises to produce a long-term positive impact on a variety of development related activities in India. Finally, MEDLARS, the CSIR/NSF exchange program, the institutional development of the Administrative Staff College and the HSMI/Fels collaboration were designed to continue well beyond the project by forging links with institutions and professionals in the U.S. It is also expected that the institutionalization of new training techniques and management practices acquired through the D&MT project will continue to evolve after the completion of USAID assistance.

V. LESSONS LEARNED

The project yielded substantive benefits to both the institutions and individuals participating in project activities wherever training was focussed and related to a specific technical area as in the case of MEDLARS, the exchange of scientist program, specific activities under the special projects fund, agriculture and energy allocations.

The benefits of training were not very clear in cases when short term U.S training was funded for middle and senior Government of India officials in diverse areas ranging from taxation, accounting/budgeting, public enterprise management, project analysis

and implementation, export marketing strategies. Even though these programs were useful and clearly benefited the individuals, their impact in terms of wider dissemination of ideas or the application of skills acquired in the local context was not evident. This was mainly because investing resources in support of diverse areas of training diluted the impact that focussing on a few training areas may have yielded.

VI. MISSION FOLLOW ON ACTIVITIES

At the end of the D&MT project, the Mission concluded that short term US training served a very useful purpose provided it was focussed on a few specific priority areas. This type of training served to provide senior Indian professionals with a new perspective, exposure to new techniques and first hand experience of practices in management and technology in the developed world. These professionals could in turn help to mobilize opinion at home. It was, therefore, recommended that the Mission amend the Technical Assistance and Support Project (TASi⁷) to include short term U.S. training in support of the GOI economic and financial reforms. TASP is now a very effective mechanism for providing useful short term training in areas such as the financial sector, privatization and export /trade related areas.

COVENANTS

1. The Grantee will exercise its best efforts to assure that adequate representation is accorded to women in nomination of participants for all training courses offered.

STATUS:

Of the total number of 9,648 people who participated/trained under the project, women trainees numbered about 1450 constituting 15.2 % of the the total number of trainees/participants under the project.

2. The grantee will exercise its best efforts to make training opportunities known and available to private sector entities and individuals in areas where private sector activity is significant and directly relevant to the achievement of GOI/AID development objectives.

STATUS:

The D&MT project provided an emphasis on participation of the private sector, both as providers and recipients of training.

3. The Cooperating Country/Grantee shall exercise every reasonable effort to require each person trained under the project to work in activities related to the project or in activities approved for financing under this Project agreement, in India, for not less than three times the length of time of his or her training program.

STATUS:

The specialized technical nature of training supported under the project ensured that professionals working on the respective sectoral projects and/or in specific technical institutions were retained under the project. Consequently, the likelihood of their moving to another technical area was not significant.