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USAID/MADAGASCAR
MADAGASCAR MINISTRY OF
FINANCE AND PLAN:
TRAINING NEEDS AND
USAID INTERVENTION
FY 1996 AND FY 1997

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ACRONYMS

CPSP	USAID/Madagascar Country Program Strategic Plan
CTS	Country Training Strategy
DASD	Directions des Appuis aux Structures Décentralisées
DCAE	Direction de la Coordination des Aides Extérieures
DEE	Direction de l'Evaluation Economique
DEE	Direction des Etudes Economiques
DGRF	Direction Générale des Ressources Fiscales
DGT	Direction Générale du Trésor
DIP	Direction des Investissements Publics
DIPSP	Direction des Investissements et de la Promotion du Secteur Privé
DIS	Direction de l'Inspection des Services
DPR	Direction de la Planification Régionale
DSE	Direction Suivi et Evaluation
EEC	European Economic Community
HRDA	USAID's Human Resource Development Assistance project
IMATEP	Institut Malgache des Techniques de Planification
IMF	International Monetary Fund
INS	Institut National de la Statistique
OST	Overseas Study Tour
PAIGEP	Projet d'Appui Institutionnel à la Gestion Publique
PDO	USAID's Project Development Office
S.O.1	CPSP Strategic Objective No.1
SOW	Statement of Work
TOT	Training of Trainers
UNDP	United Nations Development Program
USAID	United States Agency for International Development
USIS	United States Information Service

I. EXECUTIVE SUMMARY

The purpose of this assignment was to conduct a training needs assessment in the Ministry of Finance and Plan in order to focus HRDA's intervention on training priorities that will help the government carry out its economic development plan. In order to achieve this objective, the assessment team reviewed various Mission and GOM project documents, met with various concerned parties, and took a survey in senior staff of the ministry. A total of eleven (1) Ministry units were covered by the assessment. In the course of this investigation, the team focused on recent donor training assistance and major challenges facing the Ministry, and came up with the Ministry's training needs and proposed USAID's interventions.

A survey of donor training assistance to the Ministry of Finance and Plan reveals significant bilateral and multilateral interventions over recent years, with the World Bank, UNDP, - USAID, and the French Government as major donors. A number of problems handicap training interventions in the Ministry of Finance and Plan. The major ones are: lack of formal needs assessment prior to training, restriction of information on training opportunities, emphasis on individual rather than on group training, and lack of training impact assessment.

In light of the survey results and various discussions, the team identified two categories of major challenges/problems facing the ministry. The first category includes those problems that may not be solved through training such as low pay, under staffing associated with recruitment ban, aging of employees, political interference, etc. These problems are outside of the scope of this assignment and therefore, are not covered by the present report. As for the second category of problems, they include: the lack of knowledge/awareness of the overall principles of adjustment and market reform on the part of a large number of senior staff, and subsequent inappropriateness of technical and managerial skills to meet reform demands. Ultimately, these challenges limit the capacity of the Ministry's staff to design and implement appropriate fiscal policies that promote growth private sector. Overall, while the country is now embarked on economic and political liberalization, the central decision-making inherited from several years of socialism still strongly prevails in the management of the overall operation of the Ministry of Finance and Plan. It is in light of these developments that the team identified two categories of training needs, the macro needs and the micro needs, in the Ministry. Macro needs are defined here as needs detected across several Ministry departments and for a large number of personnel, while micro needs are those related to specific units and/or to a small number of employees.

As for the proposed USAID intervention, it emphasizes a mixed approach of intensive in-country seminars/workshops combined with a dose of overseas seminars and study tours. It is also strongly suggested to use these in-country interventions to build internal training capacity in the Ministry. In order to achieve this objective, it is recommended to start the in-country

program with a TOT workshop for selected Ministry senior staff and other potential local instructors. Thereafter, they will constitute a pool of local trainers from which to draw for future training. The expatriate instructors should arrive in Madagascar at least one (1) week prior to seminar dates to engage in team building efforts with local instructors. Actual program design and material review/selection should take place during team building exercises, along with the assigning of roles among expatriate and local trainers.

Our recommendation for English language training is two fold:

1. Resume the English language course for a limited number of individuals who have real needs for English language for their work;
2. Provide intensive language training for 2-3 individuals and assign them to a Translation/Interpretation unit to serve as troubleshooters to their colleagues in line departments.

As for computer training, these needs may be addressed through in-house interventions using the Ministry's computer specialists as trainers.

The team also recommended the integration of impact assessment mechanisms in the proposed program. In this regard, a) a questionnaire should be passed out to participants upon completion of each training to get first-hand reactions regarding delivered interventions; and b) a survey and/or interview should be conducted with participants, their immediate supervisors and subordinates, three (3) to six (6) months after completion of the training.

In view of the implementation of the proposed interventions, it is important that the Mission, in collaboration with Ministry's officials, makes a decision regarding the exact tasks it wants to have implemented. Once this decision is made, these tasks would make up the Scope of Work for a contract. Our recommendation here is that the Mission should select one US firm to handle: a) all the in-country training; b) all or some of the US and third country training, over the two year period.

II. INTRODUCTION

II. 1. Purpose of the assignment

The purpose of this assignment was to conduct a training needs assessment in the Ministry of Finance and Plan¹ in order to focus HRDA's intervention on training priorities that will help the government carry out its economic development plan. More specifically, the objectives of the assessment exercise were:

1. To analyze overall training needs of the Ministry of Finance and Plan and to link the training to be provided with the Mission CPSP;
2. To summarize training activities provided these past three years to the Ministry by USAID and other donors and future activities if available;
3. To recommend training activities and develop a two-year training plan including in-country and overseas courses and workshops. (See Annex 1 for SOW)

II. 2. Assessment methodology

The assessment was conducted through the following steps:

1. Meetings with Mission's officials and key HRDA coordinators in the Ministry to review assessment objectives.
2. Literature search and review of Mission and GOM policy and project documents, and other relevant literature.
3. A survey taken with directors, and senior staff of the Ministry of Finance and Plan using the questionnaire in Annex 2. Sixty one (61) questionnaires were collected out of a hundred (100) copies sent out. In addition, the team met with individual directors of target units of this assignment to "brainstorm" on current and potential professional challenges facing their respective departments, and subsequent training needs. Meetings were held on August 1 and August 4 in target units of the ex-Ministry of Finance and Budget, and on 5-6 August with the ex-Ministry of Economy and Plan (see Annex 3 for a complete list of individuals contacted by the team). Furthermore, the team collected and

¹

The Ministry of Finance and Plan was created in August 1995 from the merger of the ex-Ministry of Finance and Budget and the ex-Ministry of Economy and Plan. However, the basic units of these ex-ministries remain unchanged.

analyzed various documents pertaining to the Ministry's missions, organizational charts and tasks.

4. Meetings with other donor representatives, particularly the World Bank and UNDP to discuss their recent and future training activities in the Ministry of Finance and Plan.
5. Tabulation of survey results, and preview of preliminary findings with USAID/PDO staff.
6. A draft report was produced for a presentation to the Mission prior to the team leader's departure from Madagascar. This final report has taken the comments expressed during this presentation into account.

II. 3. Target units

The following target units were covered by the assessment:

Ex-Ministry of Finance and Budget

1. Direction Générale du Trésor (including Direction de la Dette Publique)
2. Direction Générale des Ressources Fiscales
3. Direction de l'Inspection des Services
4. Direction des Appuis aux Structures Décentralisées

Ex-Ministry of Plan and Economy

5. Institut National de la Statistique
6. Direction des Investissements Publics
7. Direction des Investissements et de la Promotion du Secteur Privé
8. Direction de la Planification Régionale
9. Direction du Suivi et Evaluation
10. Direction de l'Evaluation Economique
11. Direction des Etudes Economiques

The last four (4) units were not included in the original SOW. However, they were covered upon a request from the Director General du Plan and USAID's training office.

III. RECENT DONOR TRAINING ASSISTANCE TO THE MINISTRY OF FINANCE AND PLAN

A survey of donor training assistance to the Ministry of Finance and Plan reveals significant bilateral and multilateral interventions over recent years. Four major donors emerged from this survey: the World Bank, UNDP, the French Government, and USAID.

III.1. The World Bank, through its PASAGE project, has provided scholarships for overseas training to Ministry employees in key units involved in the structural adjustment program, in addition to a few in-country workshops.

III.2. UNDP's interventions were similar to the World Bank's, with a particular focus on the Departments of the ex-Ministry of Economy and Plan.

III.3. As for the French government, its assistance was mostly centered on public finance and tax administration. In this regard, scholarships were offered annually to employees of the Direction Générale du Trésor and the Direction Générale des Ressources Fiscales to participate in short term training programs in France.

III.4. USAID's support revolved around the HRDA project. In addition to a number of in-country training programs, the HRDA project sponsored Ministry officials in short-term courses and OSTs in the US and third countries. HRDA also sponsored several participants to international conferences, as well as an English language training program at USIS/Madagascar.

III. 5. Some observations on donor training assistance to the Ministry of Finance and Plan

The needs assessment exercise revealed a number of problems that handicap training interventions in the Ministry of Finance and Plan. The major problems are:

1. Lack of formal needs assessment prior to training: training in the Ministry of Finance and Plan is mostly donor-driven. The Ministry usually compiles a list of potential candidates in response to donor offers. The selection procedures have not always ensured that training is consistent with actual participant and/or organizational needs.
2. Information on available training opportunities is not always diffused broadly. Employees of certain central departments have more access than others to information on training, and therefore, benefit more often from these opportunities. In the course of this needs assessment, there were a number of complaints about the same individuals always going on training.
3. Emphasis has been more on individual than group training: and because of the lack of

formal post-training debriefing, training impact has not spread on a large scale in the Ministry.

4. Lack of training impact assessment: in Madagascar, both GOM and donors devote little effort and/or resource to training impact assessment.

IV. MAJOR CHALLENGES FACING THE MINISTRY

In light of the survey results and various discussions, the team identified two categories of major challenges/problems facing the ministry. The first category includes those problems that may not be solved through training such as low pay, under staffing associated with a recruitment ban, aging of employees, political interference, etc. These problems are outside the scope of this assignment, and therefore, are not covered by the present report.

The second category of problems include: the lack of knowledge/awareness of the overall principles of adjustment and market reform on the part of a large number of senior staff, and subsequent inappropriateness of technical and managerial skills to meet reform demands. Ultimately, these challenges limit the capacity of Ministry staff to design and implement appropriate reform, particularly fiscal policies that unleash private sector potential.

IV.1. Knowledge/awareness of reform framework

The Ministry of Finance and Plan plays a key role in the design and implementation of GOM's market-oriented policy reform, particularly fiscal policy. More precisely, various units of the Ministry are charged with taxation and revenue collection, (Direction Générale des Ressources Fiscales and its various Departments), preparation and implementation of GOM operation and investment budgets (Direction Générale du Trésor and Direction Générale du Plan). In addition, the Ministry has a department charged with private sector promotion (Direction des Investissements et de la Promotion du Secteur Privé: Guichet Unique).

The needs assessment reveals, however, that a large number of senior Ministry staff lack knowledge of principles and mechanisms of structural adjustment which constitutes the overall policy framework under which their respective units function. Consequently, many of them lack confidence in handling their tasks. There is also a great deal of frustration/resistance in the course of technical discussions, particularly with outside experts, as Ministry officials are not always capable of formulating positions consistent with reform efforts.

The question of structural adjustment and market reform mechanisms came up constantly during the brainstorming sessions that the team had with directors and senior personnel. It is also one of the major concerns expressed by the survey participants in all target units.

IV.2. Inadequate technical and Managerial capacity to meet reform demands

Ministry senior personnel had been trained and exposed to central planning principles and techniques for decades during the socialist regime in Madagascar. As the country began to move toward market rules several years ago, there has been little systematic effort aimed at staff retraining on a large scale. Most retraining programs were focused on limited units and/or individuals, and sometimes with little or no assessment of actual needs. Our investigation suggests that only a small number of individuals who have been trained and/or are acquainted with expatriate experts feel comfortable with market reform. Therefore, it is necessary to upgrade technical skills in the Ministry if market reform is to be sustained.

In the course of this assessment, there were a great number of complaints on the part of both supervisors and subordinates about managerial capacities and human relations in the Ministry. These complaints include lack of vision, poor or negative leadership, lack of delegation and staff motivation, authoritarian decision-making, lack of consideration on the part of supervisors, interpersonal and organizational conflicts, poor or inadequate communication, time management, lack of team work, etc.

Overall, while the country is now embarked on economic and political liberalization, central decision-making inherited from several years of socialism still strongly prevails in the management of the overall operation of the Ministry of Finance and Plan. It is in light of these developments that the following training needs have been identified in the Ministry.

V. TRAINING NEEDS IDENTIFIED

On the basis of the major professional challenges facing the ministry and in light of the views expressed by various parties contacted, the team has identified two categories of training needs, the macro needs and the micro needs. Macro needs are defined here as needs expressed across several departments and for a large number of personnel, while micro needs are those related to specific units and/or to a small number of employees. These needs are summarized as follows.

V.1. Macro needs

A. Needs identified across all target units:

During the brainstorming exercises and the survey, market reform mechanisms and modern management techniques came up constantly in all eleven (11) target units covered by this investigation. Therefore, there is a need for across-the-board training in:

1. Principles and mechanisms of adjustment and macro economic management
2. Management principles and team building

B. Needs identified across a number of units:

3. Project identification, preparation and appraisal. The need for training in this area was expressed in 5 out of 11 units covered by the investigation, these are: DIP, DSE, DEE, DPR, DIPSP.
4. Applied research methods to project monitoring and evaluation. Four target units expressed needs for training in this area: DSE, DEE, DIP, DCAE)
5. Public budgeting. This training is strongly requested at DGT and DIP.

V.2. Micro needs

6. Local finances. DASD, DPR expressed this need.
7. Tax administration/tax matters (including ethical conduct). DGRF expressed this need.
8. Auditing and public finance control, is requested by DIS.
9. Funding negotiation and donor procedures, requested by DCAE and DIP.
10. Statistics, requested by INS, DEEP
11. Economic forecast, requested by DEEP.
12. Regional planning, requested by DPR.
13. Insurance management, requested by DGT.
14. Computer training for limited number of individuals across target units.
15. English language training for limited number of individuals across target units

Information gleaned during the needs assessment suggests a number of initiatives being contemplated in various Ministry departments. For instance, they are:

1. On-going training by DGT of forty (40) *inspecteurs du trésor* at IMATEP;
2. A request to the Swedish government for training assistance to the *Direction des Appuis aux Structures Décentralisées*;
3. A Eurostat² mission to the *Institut National de la Statistique* (INS) aimed at designing training interventions in INS.
4. A World Bank concept paper (PAIGEP) on institutional and training assistance to economic management institutions.
5. On-going negotiation between DGRF and IMF regarding training and technical assistance in tax administration/tax matters.

VI. PROPOSED USAID INTERVENTION

Donors will likely continue their assistance on the basis of past experience which focused on individual rather than group training. Our view is that, addressing the macro training needs would significantly boost reform efforts in the Ministry. As indicated in Section VII below, in addition to certain micro needs, these macro needs will contribute to achieving the Mission's strategic goal. Given the large number of target employees to be covered, intensive in-country training will be required, in addition to classical overseas exposure.

VI.1. Training goal

The training goal is to promote the design and implementation of pro-business fiscal policy in the Ministry. Pro-business fiscal policy entails curtailing budget deficit through sound expenditure programming and control, fair tax practice that reduces tax burden on business, and non use of monetary instruments for deficit financing (in order to curtail inflation).

VI.2. Training objectives

The following objectives have been identified in order to achieve the training goal:

1. Foster knowledge or support for reform principles, particularly pro-business fiscal policy in the Ministry;
2. Upgrade technical and managerial skills necessary to design and implement market-led reform, particularly fiscal policy;

² Eurostat is a EEC agency charged with assistance in statistics and related training

3. Build internal training capacity in the Ministry.

VI.3. Training strategy and activities

The proposed training emphasizes a mixed approach of intensive in-country seminars/workshops combined with a dose of overseas seminars and study tours.

VI.3. 1. In-country training

In-country training will be the core of proposed interventions, given the large number of Ministry staff that needs training in key reform areas. Therefore, it is cost-effective and will permit in-depth group discussions among Ministry officials in classroom settings.

It is also strongly suggested that these in-country interventions be used to build internal training capacity in the Ministry. In order to achieve this objective, we recommend the following steps for the in-country program:

- A. Start with a training of trainers seminar/workshop for 20 to 25 participants selected from:

HRDA coordinators and staff in the Ministry

Ministry senior staff with solid technical capabilities and potential interest in training

Selected individuals from local training institutions, private consulting firms, and retirees.

These participants must have proven expertise in topics to be covered by the in-country program. They will be trained in adult training needs assessment, program design, participatory training techniques, and evaluation. After their participation to the TOT seminar, they will form a pool of in-house and local instructors upon which to draw for future training.

In addition, HRDA coordinators and staff will be capable of conducting future needs assessments, decide on appropriate in-house programs or place participants in appropriate training institutions. They will also be capable of conducting training impact assessments upon participant return to their respective services.

- B. The capacity building effort will continue after completion of the TOT course according to the following steps:
1. Conduct a number of in-country seminars/workshops with expatriate trainers in a leading role, and local trainers as backups/observers;
 2. Continue in-country seminars by reducing the number of expatriate trainers, and increasing number and role of local trainers;
 3. Continue seminars with local trainers taking the leading role, and external trainer(s) as backup/coach
 4. As this process unfolds, the local instructors will become comfortable with participatory approach to training. Thereafter, training in the Ministry will rely more and more on in-house and/or local expertise.

It is also recommended that expatriate instructors should arrive in Madagascar at least one (1) week prior to seminar dates to engage in team building efforts with local instructors. Actual program design and material review/selection should take place during team building exercises, along with a distribution of role between expatriate and local trainers.

C. Summary of in-country training activities

Title	Participants	No. of Sessions	Duration	Venue
<i>TOT Workshop</i>	(20) HRDA Coordinators and staff, selected Ministry senior staff with potential interest in training, local training institutions, and retirees.	One	Two weeks	Antananarivo
<i>Principles and Mechanisms of Structural Adjustment and Market-led Reform</i>	(80) 20 directors/directors general, 60 Chiefs of Service and senior staff	Four, 20 participants per session	Three days per session	Antananarivo
<i>Management Principles and Team Building Course</i>	(80) participants, chiefs of service and senior staff	Four sessions, 20 participants per session	One week per session	To be determined
<i>Project Identification, Preparation and Appraisal</i>	(40) Directors, Chiefs of Service and senior staff	Two sessions	Two weeks per session	To be determined
<i>Applied Research Methods to Project Monitoring and Evaluation</i>	(20) Directors, chiefs of service and senior staff	One	Two weeks	To be determined
<i>Public Budgeting and Control</i>	(20) Directors, chiefs of service and senior staff	One	Two weeks	To be determined

The total duration of in-country training is sixteen (16) weeks over the 2 year time period.

For the purpose of cost-effectiveness, these in-country seminars have been grouped in four (4) sequences of four (4) weeks each. In this regard, it is important that participants complete seminars on principles and mechanisms of adjustment, management and team building, prior to attending more specialized courses (topics 5 to 6). (see Annex 4 for detailed training plan and budget)

VI.3.2. Overseas training (U.S. and third countries)

Overseas training exposes participants to overseas environment and professional practices; it also permits trainees to engage in professional exchange with their peers from other countries. However, given the cost constraints and the large number of Ministry employees to be trained, overseas training should not be used on a large scale. In this regard, we recommend that the Mission should send Ministry participants to those US and third country institutions whose programs are consistent with Ministry training needs. Top priority should be given to the micro needs in sending participants to overseas training, given that the macro needs would be mostly addressed through in-country interventions. This does not preclude the participation of high level officials to overseas training in topics covered by in-country programs.

VI.3.3. Overseas observation and study tours (OSTs).

OSTs do permit participants to confront their own experience with foreign principles and practices. However, OSTs should be followed by in-country debriefing sessions in order to be effective. Also, because of cost constraints, this intervention is usually used on a small scale.

An OST on market economy for senior staff of the Ministry has already been approved by the Mission. In addition, the assessment team recommends an additional OST on business tax administration/tax matters. The rationale behind this proposition stems from the fact that DGRF is a target unit whose activities affect Malagasy business climate. It is also a target of various donor interventions (IMF and the French assistance for example). The Mission would make a difference by sponsoring an OST at DGRF, followed by panel discussions upon participant return.

The US, South-East Asia and African countries with success stories on business taxation should be the target places for this OST. It is also recommended that participants to this intervention serve as facilitators in a series of panels on business taxation at DGRF upon their return.

VI.4. Recommendations for English language and computer training

In spite of the fact that only a very small number of senior Ministry staff are frequently confronted with professional situations requiring the use of English language (6 over 61

respondents to the survey), the vast majority of respondents desires English language training. Because of the country's geographic location, Malagasy certainly have frequent exposure with English speakers. This may be why almost everyone is interested in the English language. However, actual needs for English language training for professional purposes seem limited in the Ministry.

Our recommendations here are two fold:

1. Resume the English language course at USIS/Madagascar for a selected number of individuals who have real needs for English language in their work;
2. Provide intensive language training for 2-3 individuals and assign them to a Translation/Interpretation unit that will serve as troubleshooter to their colleagues in line departments.

As for computer training needs, computer technology is expanding though it has not yet reached the majority of senior staff. Furthermore, a number of computer stations are operated by computer specialists in some Ministry's units. The needs for computer training may be addressed through in-house interventions using these specialists as trainers. In order to do so, a timetable should be set for a couple of hours/week allowing senior staff to register for computer training.

VI.5. Training follow-up

The lack of impact assessment is one of the major failures of training programs, including those sponsored by donors in Madagascar. Our recommendations attempt to correct this failure, by integrating a follow-up component to the proposed program. In this regard, we proposed that:

1. Upon completion of each training, a questionnaire should be passed out to participants to get first-hand reactions regarding delivered training;
2. A survey and/or interview should be conducted with the participants, their immediate supervisors and subordinates, three (3) to six (6) months after completion of the training. This proposition will permit to cross check opinions and data on training impacts on staff performance in the ministry. Three (3) to Six (6) months allow enough time for participants to sufficiently apply the lessons learned in the course of the training.

VII. RELATIONSHIP WITH THE MISSION CPSP

As Madagascar is now embarked upon market-oriented reform, effective public management geared toward reducing biases against private sector, particularly in the area of fiscal policy, becomes an imperative. Governmental fiscal policy affects private initiatives in many ways. On one hand, resource mobilization through taxation and revenue collection must not hinder business. It must foster an enabling environment to the private sector. On the other hand, public expenditure programs based on sound priorities and effective investment appraisal, programming and evaluation contributes to reducing public deficit which in turn, releases pressure for inappropriate tax practices on the part of government. Solid capital programming could also provide further opportunities for private business as it would result in governmental contracts in infrastructure, equipment and maintenance (roads, public construction and procurement in various sector of the economy).

Government (including parastatals) and private sector also compete for funding and foreign currency in the same financial market. In this regard, resource availability to private business will depend, among other things, on fiscal policy aimed at public deficit reduction. Subsequently, deficit reduction will contribute to diminishing inflationary pressure as they will be little - or at best no - use of monetary instruments for deficit financing. Diminished inflationary pressure will minimize uncertainties on markets and therefore, would foster a stable business environment.

In view of its strategic objective 1, the Mission has identified three (3) major targets for its interventions; these are:

- o Target 1: Legal, regulatory and judicial reforms;
- o Target 2: Financial market reforms;
- o Target 3: Expand business services.

The rationale behind this objective is that, currently, restrictions in public policies toward business, including abrupt policy changes, inconsistent application of regulations, lack of investment services, red tape, and unfair competition from the public sector, prevent private sector investment needs from being met. The Mission is sponsoring or will sponsor a number of projects aimed at reducing these bottlenecks. For instance, the Financial Market Development Project (FMD) aimed at increasing resource flow available to the private sector. Reducing government deficit would curtail competition from governmental agencies on the financial market and thereafter, reinforce FMD objectives. Furthermore, stable tax policies will reverse abrupt policy changes and improve Malagasy business environment. Therefore, the proposed training will particularly support targets 1 and 2 of S.O.1.

Given the Ministry's key role in the design and implementation of GOM's fiscal policy, technical and managerial skills of the Ministry's staff needs upgrading in order to meet demands of reform. Several years ago, Madagascar began to move from a state-managed economy to market rules. Market-led reform will not bear significant results if the Ministry's personnel who had been exposed to central planning for decades, are not equipped with new knowledge, skills and attitudes.

In the context of current reform, past donor training and institutional assistance has mostly focused on small numbers of units and individuals. This orientation, coupled with the lack of training impact assessment, did not generate necessary "multiplier effects" to boost reform efforts on a large scale in the Ministry. From a technical and professional standpoint, a large number of Ministry senior staff feel left out by policy reform. This situation, in turn, affects their performance as they develop frustration and resistance toward market-based policy. These are serious bottlenecks that the proposed training seeks to alleviate.

The proposed training also aims at leveraged interventions in keys units involved in the market-led policy. It suggests a mixed approach (great emphasis on in-country workshops combined with some dose of overseas training, and training impact assessment). It also embodies a capacity building effort which will permit in-house and/or local instructors to progressively take charge of training.

As a result, the training proposed will significantly contribute to achieving the Mission's S.O.1. It is also consistent in many respects with the operating principles stated in the CPSP.

VIII. RECOMMENDATIONS AND SCHEDULE FOR IMPLEMENTATION

It is important that the Mission make a decision regarding the exact tasks it wants to have implemented. Once this decision is made, these tasks would make up the Scope of Work for a contract. The CTS has detailed the contracting mechanisms available for training activities, particularly the IQC route, the Gray-Amendment procurement, the Buy-in, and the Add-on. Given the relatively small size of this operation, the Gray-Amendment procurement seems appropriate here, should the Mission desire to minimize time constraints and closely monitor contractor's performance. The Mitchell Group, AMEX, DATEX and others are some of the firms the Mission may want to contact should it wish to proceed through the Gray-Amendment procurement.

We recommend that the Mission select one US firm to handle: a) all the in-country training; b) all or some of the US and third country training, over the two year period. The advantages of such a proposition are:

- o management burden of issuing PIO/Ts, contracts, etc. with local organizations for discrete activities is removed;
- o institution building can result from pairing a sensitive U.S. firm with a local organization;
- o a U.S. based contractor is in a better position to arrange U.S. training; the Mission can do it, but the burden stretches the limited capacity of the Mission training office. This special U.S. training package is important, since otherwise the training office will simply send the trainees through regular channels (PIET) where there will be little "Madagascar-sensitive programming";
- o the firm can be held accountable to help the Mission achieve training objectives;
- o the U.S. firm can access to top U.S. and African consultants which a local group cannot identify or contract with;
- o the Mission contracting office can easily initiate, manage, and monitor a contract with one firm.

We recommend the following illustrative schedule for implementation (for in-country training):

Date	Tasks
<i>October-November 1995</i>	Decide on actual tasks in collaboration with the Ministry
<i>December -January 1996</i>	Issue RFP Select contractor
<i>February 1996</i>	Planning visit by contractor Logistical arrangements Select TOT participants in Collaboration with the Mission and the Ministry Visit and select training facilities In-country, Sequence One
<i>March-April 1996</i>	In-country, Sequence One
<i>August 1996</i>	In-country, Sequence Two Impact assessment for Sequence One
<i>November-December 1996</i>	In-country, Sequence Three Impact assessment for Sequence Three
<i>March 1997</i>	In-country, Sequence Four Impact assessment, Sequence Three
<i>August 1997</i>	Impact assessment for Sequence Four

ANNEX 1:

STATEMENT OF WORK FOR TRAINING NEEDS ASSESSMENT OF THE HUMAN RESOURCES DEVELOPMENT PROJECT

I. BACKGROUND

USAID/Madagascar initiated a bilateral training program in FY 1988, under the regional Human Resources Development Assistance (HRDA) project. Since 1989, the project provided separate funds for public and private sector training activities. While the Mission has undertaken a private sector training needs assessment through HRDA core contractors in 1989, 1993, and in 1994, with the Country Training Strategy (CTS) team, no formal training needs assessment has been done for the public sector as training was provided according to an annual training plan discussed with the HRDA coordinator at the Ministry of Economy and Plan.

Under the CPSP, training projects provide portfolio support to Mission activities. The Mission has targeted the Ministry of Economy and the Ministry of Finance and Budget for HRDA assistance as other technical ministries in health, agri-business and natural resources have training components under their respective USAID projects. During the CTS development, both Ministries have requested Mission's assistance in carrying out a training needs assessment to focus HRDA's intervention on training priorities that will help the government to carry out its economic development plan.

II. OBJECTIVE

The objective of this PIO/T is to negotiate a Delivery Order with AMEX International Inc., USAID/WASHINGTON's contractor under the HRDA project, to provide a public sector training needs assessment specialist to carry out a training needs assessment of the Ministry of Economy and Plan and the Ministry of Finance and Budget. This service is described in the contractor's contract No. AOT-0463-Q-00-3216-00 Section C, paragraph C.3.

The training needs assessment will have the following objectives:

- 1- To analyze overall training needs of Ministry of Economy and Plan and Ministry of Finance and Budget and to link the training to be provided with the Mission CPSP;
- 2- To summarize training activities provided these past three years to each Ministry by USAID and other donors and future training activities if available;

3- To recommend training activities and develop a two-years training plan including in-country and overseas courses or workshops.

III. SCOPE OF WORK

The contractor will be responsible for providing the services of a public sector training needs assessment specialist and team leader to conduct a training needs assessment for the Ministries mentioned above. Specifically, the specialist will focus its assessment on the following target areas/units within each ministry:

THE MINISTRY OF FINANCE AND BUDGET

Target areas: tax administration; public finance statistics; internal audit; decentralization of public finances; public debt management; English language training to expand training options.

Target units: *Direction Générale Trésor Direction Générale des Ressources Fiscales; Direction de la Dette Publique; Direction de l'Inspection des Services; Direction Appuis aux Structures Décentralisées.*

THE MINISTRY OF ECONOMY AND PLAN

Target areas: Statistics/data collection; project evaluation and planning; private sector support; public sector budgeting and planning; English language training to expand training options.

Target units: *Institut National des Statistiques; Direction des Investissements Publics; Direction des Investissements et de la Promotion du Secteur Privé.*

The training needs assessment specialist will be assisted by a second team member (Malagasy) to hired locally by USAID/Madagascar. The contractor will provides its input in finalizing the scope of work for the locally-hired team member and will participate in his/her final selection.

The team leader will be responsible for leading the overall assessment effort and for preparing the final draft report. His/her responsibilities will include the following:

Design and prepare all necessary documentation and questionnaires for the training needs assessment;

Establish the assessment workplan and timetable and finalize them with USAID/MADAGASCAR;

Consult with USAID/Madagascar staff members on a regular basis;

Draft the final report;

Debrief the Mission prior to departing Madagascar and upon return to the U.S. produce evaluation report, after incorporation of any adjustments made by the Mission or the Ministries. The contractor will be responsible for having the assessment report translated into French, and for having English and French versions of the report reproduced and sent to USAID/Madagascar.

IV. ILLUSTRATIVE WORKPLAN

Week One: Meeting with USAID staff, review project document, establish and finalize workplan, start and conduct interviews at the targeted Ministries.

Week Two and part of week three: Continue interviews, draft report and do a presentation of findings and recommendations to the Mission and the Ministries.

Within thirty days in the U.S: Finalize report and translate it into French.

V. REPORTS AND DELIVERABLES

The contractor will provide the following reports:

A draft summary of findings and recommendations for presentation to the mission and the Ministries before departure from the country;

A draft complete report

One copy each of the final report in English and French languages and on diskette in WordPerfect 5.1 within thirty days of the contractor's departure from Madagascar.

VI. PERSONNEL

Education: Minimum BA/BS in Education, Business Management, Economics, or a related field.

Experience: Minimum of five years experience with participant training activities, in particular USAID-Financed participant training. Training needs assessment experience with institutional training projects, particularly in Africa, required.

Language: French minimum FSI S-3 + required. The specialist is expected to conduct interviews and read reports in French.

VII. RELATIONSHIPS AND RESPONSIBILITIES

The contractor will work under the general supervision of the USAID/Madagascar Program Officer and the Training Specialist.

ANNEX 2

Please fill out this questionnaire legibly and place it under the provided envelop. It will be collected during the visit of the USAID/AMEX International team to your department on _____

QUESTIONNAIRE FOR TRAINING NEEDS ASSESSMENT

EX-MINISTRY OF FINANCE AND BUDGET, AND EX-MINISTRY OF ECONOMY
END PLAN, MADAGASCAR

USAID, in collaboration with AMEX International Inc., is interested in assessing your ministry's training needs. The questionnaire is anonymous, and its results will be summarized in aggregated formats that will not reveal individual opinions. Hence, this needs assessment operation does not presuppose any particular commitment on the part of USAID and AMEX International Inc. Therefore, we will appreciate it if you could fill it out to the best of your knowledge

1. Ministry: _____
2. Department: _____
3. Respondent's age: _____
4. Gender (circle) M F
5. Total number of year of service: _____
6. Your current position in the organization (check one item):
Director General
 Director
 Unit Head
 Division Chief
 Bureau Chief
 Senior Staff
7. How long have you been in your current position: _____

- 2. _____
- 3. _____
- 4. _____

12. Your appreciation on those professional training/seminar

13. What are the major professional challenges facing you currently and in the next future?

14. From a technical and behavioral standpoint, what don't you like about the work of:

1. Your supervisors:

2. Your colleagues:

3. Your collaborators/subordinates:

15. From a technical and behavioral standpoint, what do you like about the work of:

1. Your supervisors:

2. Your colleagues:

3. Your collaborators/subordinates:

15. Have you been confronted with professional situations requiring the use of English language in your work (check one item):

- Never
- Rarely
- From time to time
- Frequently

16. If you have been confronted with such situations, please tell us about them:

1. What occasions?

2. How did you deal with those situations?

3. What would have you desired

If training were to be conducted in order to improve performance of your ministry's agents, what would be the areas/themes of interest for:

1. Yourself (priorities from 1 to ... 5)

1. _____

2. _____
3. _____
4. _____
5. _____

Why?

2. Your supervisors (priorities from 1 to... 5)

1. _____
2. _____
3. _____
4. _____
5. _____

Why?

3. Your collaborators/subordinates (priorities from 1 to ... 5)

1. _____

2. _____

3. _____

4. _____

5. _____

Why?

4. The other personnel of your Department (priorities from 1 to ... 5)

1. _____

2. _____

3. _____

4. _____

5. _____

Why?

5. The other personnel of your Ministry (priorities from 1 to ... 5)

1. _____

2. _____

- 3. _____
- 4. _____
- 5. _____

Why?

19. What would be the average length of absence for training:

- 1. For yourself: _____
- 2. For your supervisors _____
- 3. For your collaborators/subordinates _____

Comments?

20. Would you prefer these training to take place in Madagascar or outside Madagascar (check one item)?

___ In Madagascar

Why?

— Outside Madagascar

Why?

— In Madagascar and outside Madagascar

Why?

21. Any other comments and suggestions?

ANNEX 3

LIST OF PERSONS CONTACTED BY THE ASSESSMENT TEAM

Mr. William Hammink, Supervisor, Program Development Officer and Office Chief, USAID

Mr. Bob Gilson, Program Officer, USAID

Mr. Frank Martin, Program Economist, USAID

Mr. Mark Cullinane, Private Sector Training Specialist, USAID

Mrs. Agnès Rakotomalala, Training Officer, USAID

Mrs. Perline Rasoanoromalala, Training Specialist, USAID

Mr. Fidèle G. Rabemananjara, Assistant to USAID's Program Economist

Mr. Laurent Rasolofonirina, Chef Service Fonds de Contre-parties et Dons, Direction Générale du Trésor, Cordonnateur du projet HRDA à l'ex-Ministère des Finances et du Budget

Mr. Fenomanana Rakotozafy, Chef Service Organisation et Promotion, Direction Générale du Plan, Coordonnateur du Projet HRDA à l'ex-Ministère de l'Economie et du Plan

Mr. Armand Razafundrakoto, Directeur Général du Plan, Ministère des Finances et du Plan

Mr. Jean Pierre Raharindranto, Directeur de la Comptabilité Publique, Direction Générale du Trésor

Mrs. Faramalala Ratovo-Andriambahihy, Chargée de Mission, Responsable de la Formation, Direction Générale du Trésor

Mr. Robert Epiphane Rabary, Chef Service de la Coordination Financière, Directeur des Appuis aux Structures Décentralisées par intérim

Mrs. Odette Rafaramaniraka, Chef Service Rationalisation des Dépenses, Direction de l'Inspection des Services

Mr. Cyril Rabarihoela, Chef Service des Inspections de Services, Direction de l'Inspection des Services

Mrs. Arlette Rakotondrazafy, Directrice de l'Evaluation Economique

Mrs. Sahondra Rambolanomenahosola, Chef du Service de l'Evaluation des Programmes et Réformes Structurelles, Direction de l'Evaluation Economique

Mr. Samuel Rambolamanitra, Directeur des Etudes Economiques

Mr. Robin Raberinja, Directeur de la Planification Régionale

Mr. Mamy Rakclojanahary, Chef du Service Etudes Régionales, Direction Régionale de la Planification

Mr. Olivier Rajaonarison, Chef du Service Coordination des Investissements Régionaux, Direction de la Planification Régionale

Mr. Modeste Raveloson, Directeur de la Coordination des Aides Extérieures

Mrs. Jeanne Rasoavololona, Directrice des Investissements Publics

Mr. Fleury Lezava, Directeur Général des Ressources Fiscales

Mrs. Zoe Ranaivo, Projet OPS/PNUD, Direction Générale du Plan

Mr. André Rasolo, Secrétaire Général du Ministère des Finances et du Plan

Mr. Harivelo Rapelaso, Projet PASAGE/Banque Mondiale

Mr. Dieudonné Randriamanampisoa, Chargé d'Opération, Mission Résidente de la Banque Mondiale

Mr. Charles Rakotondrafara, Directeur Général, Institut National de la Statistique

ANNEX 4

TRAINING PLAN/BUDGET FY 96 AND FY 97

TRAINING ACTIVITIES	ESTIMATED COST (in US \$)
FY 1996	\$332,000
<p><u>In-country training</u></p> <p>Sequence 1: 4 weeks</p> <p>TOT: 1 session of 2 weeks</p> <p>Structural adjustment and macro economic management</p> <p>Session 1: 3 days</p> <p>Session 2: 3 days</p> <p>Session 3: 3 days</p> <p>Session 4: 3 days</p> <p>Sequence 2: 4 weeks</p> <p>Session 2: 1 week</p> <p>Session 3: 1 week</p> <p>Session 4: 1 week</p>	<p>\$95,000</p> <p>\$95,000</p>
<u>English language training at USIS</u>	\$5,000
<p><u>US and third-country training</u></p> <p>4 participants (\$18000 x 4)</p>	\$72,000
<p><u>Overseas study tours</u></p> <p>OST on business taxation for DGRF</p> <p>4 participants</p> <p>Support for 5 panels upon participant return</p>	<p>\$60,000</p> <p>\$5,000</p>

TRAINING ACTIVITIES	ESTIMATED COST (in US \$)
FY 1997	\$303,000
<p><u>In-country training</u></p> <p>Sequence 3: 4 weeks</p> <p>Project Identification, Preparation, Appraisal Session 1: 2 weeks Session 2: 2 weeks</p> <p>Sequence 4: 4 weeks</p> <p>Public budgeting/control Session 1: 2 weeks</p> <p>Applied research methods to project monitoring and evaluation Session 1: 2 weeks</p>	<p>\$95,000</p> <p>\$95,000</p>
English language training at USIS	\$5,000
US and third-country training 6 participants (\$18,000 x 6)	\$108,000

ANNEX 5:

SUMMARY OF BUDGET

	FY 95-96	FY 96-97	Total
<i>In-country training</i>	190,000	190,000	380,000
<i>US and third country</i>	72,000	108,000	180,000
<i>English language training</i>	5,000	5,000	10,000
<i>OST</i>	65,000	---	65,000
<i>Planning visit</i>	25,000	---	25,000
<i>Follow-up/impact assessment</i>	25,000	40,000	65,000
<i>In-country training</i>	382,000	343,000	725,000

ANNEX 6:

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