

# A.I.D. EVALUATION SUMMARY PART I

(BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS)

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IDENTIFICATION DATA

<b>A. REPORTING A.I.D. UNIT:</b> ROCAP (Mission or AID/W Office) (ES# )	<b>B. WAS EVALUATION SCHEDULED IN CURRENT FY ANNUAL EVALUATION PLAN?</b> yes <input checked="" type="checkbox"/> slipped <input type="checkbox"/> ad hoc <input type="checkbox"/> Eval. Plan Submission Date: FY ___ Q ___	<b>C. EVALUATION TIMING</b> Interim <input checked="" type="checkbox"/> final <input type="checkbox"/> ex post <input type="checkbox"/> other <input type="checkbox"/>			
<b>D. ACTIVITY OR ACTIVITIES EVALUATED</b> (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report)					
Project #	Project/Program Title (or title & date of evaluation report)	First PROAG or equivalent (FY)	Most recent PACD (mo/yr)	Planned LOP Cost ('000)	Amount Obligated to Date ('000)
596-0124	REGIONAL EXPORT MANAGEMENT TRAINING PROJECT	1986	12/90	6,800	5,282

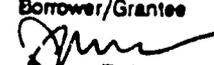
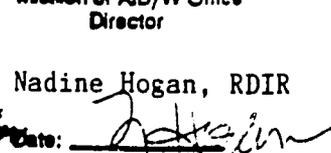
ACTIONS

E. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR	Name of officer responsible for Action	Date Action to be Completed
<p style="text-align: center;"><b>Action(s) Required</b></p> <ol style="list-style-type: none"> <li>1. Prepare a systematic, well-coordinated policy statement and action plan that serves as a guideline for all project activities. This would involve the elaboration of a Global Strategy for the next 2 1/4 years (September 1, 1988-December 31, 1990) including specific action strategies in each component.</li> <li>2. Ensure that the INCAE project staff are fully aware of applicable AID policies and regulations, particularly in respect to cost reimbursement type contracts.</li> <li>3. All project costs should be approved by a clearly designated individual at INCAE who will be aware of and responsible for compliance with all ROCAP contractual regulations.</li> <li>4. Prepare a long-term strategy document which outlines how INCAE intends to continue the Export Management Program after ROCAP funding terminates and, more specifically, how it intends to continue the University Program and the Center for Policy Analysis and Applied Economics.</li> </ol> <p>(See attached continuation sets)</p>	INCAE Project Coordinator  ROCAP Project Manager  INCAE Coordinator  INCAE Coordinator	Aug. 1988 (completed)  Sept. 1988 (completed)  on-going  March, 1989
(Attach extra sheet if necessary)		

APPROVALS

**F. DATE OF MISSION OR AID/W OFFICE REVIEW OF EVALUATION:** mo 1 day 12 yr 89

**G. APPROVALS OF EVALUATION SUMMARY AND ACTION DECISIONS:**

Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
Signature:  Typed Name: Paul Tuebler, DPDO Ann McDowell, AGDO Date: <u>12/15/89</u>	Signature:  John Ickis, INCAE Date: <u>2/2/89</u>	Signature:  Pirie Gail, PDO Date: <u>1/20/89</u>	Signature:  Nadine Hogan, RDIR Date: <u>2/1/89</u>

	Name of Officer Responsible for Action	Date Action to be Completed
5. Develop a plan to assess impact of the competitive seminars.	INCAE Coordi- nator	Dec. 1988
6. Devise a plan to track the impact of recent and future MBA and MEE graduates to determine the impact of the revised curriculums on their work.	INCAE Coordi- nator	
7. Hold a mid term review of the Project and negotiate re programming and a new line item budget based on mutually agreed changes.	ROCAP	Sept. 1988 & Nov. 1988
<b>I. <u>EXPORT MANAGEMENT TRAINING COMPONENT</u></b>		
<b>A. Case Studies:</b>		
1. INCAE is to conduct more case studies in El Salvador and Honduras.	INCAE Coordi- nator	on-going
2. INCAE is to write several simplified case studies for new enterprises that assist in assessing entry-level issues and problems.	INCAE Coordi- nator	on-going
3. Provide detailed Economic Analysis worksheets with the case studies, as appropriate.	INCAE Coordi- nator	on-going
<b>B. Competitive Seminars</b>		
1. INCAE should develop longer seminars that include an export strategy theme and an additional component of assisting managers in developing a market plan strategy and specific information on distribution channels.	INCAE Coordi- nator	
2. INCAE should devote more time to discussing and explaining economic evaluations and economic decision-making.	INCAE Coordi- nator	on-going
<b>C. Student Internships</b>		
1. Write selection criteria guidelines and regulations for internships so that both INCAE and interns know clearly the agreements and responsibilities of both parties. This should also include clear statements of the legal responsibility of INCAE for internships, money payments in accordance with AID regulations, and required reports upon return from internships.	INCAE Liaison Officer	Aug. 1988
2. Follow AID regulations for participant training and make sure legal responsibilities for the students while in the United States are clear.	INCAE Liaison Officer	on-going

	Name of Officer responsible for Action	Date Action to be Completed
D. Scholarship Assistance	INCAE Coordi- nator	Aug. 1988
1. The INCAE scholarship policy needs to include criteria for selection and qualification for scholarships.	INCAE Coordi- nator	on-going
2. Scholarships should only be provided to participants who are exporting or have the intention to export non-traditional goods.	INCAE Coordi- nator	on-going
3. Competitive seminars should be promoted as export oriented seminars and have pre-selection criteria for acceptance.		
<b>II. UNIVERSITY ASSISTANCE COMPONENT</b>		
<b>A. Program for University Professors</b>		
1. Go forward with PDU III, but subsidize 80% rather than 60% of the student costs and revise and strengthen the teaching component.	INCAE Coordi- nator	June 1988
2. Drop plans for PDU IV and PDU V. (They are not viable and the funds can be better used elsewhere.)	INCAE Coordi- nator	June 1988
3. Reprogram the funds from PDU IV and V to increase the level of subsidy for PDU III and into short teacher training courses (1 or 2 weeks) at INCAE and in-country technical assistance for universities.	INCAE Coordi- nator	Nov. 1988
<b>B. Scholarship Assistance</b>		
1. The remaining scholarships should be awarded only after steps are taken to ensure that there is a very high probability that the recipient will return to teach a full course load.	INCAE Coordi- nator	July 1988
2. Funds not used for scholarships should be reprogrammed for short courses for university faculty held at INCAE and in-country technical assistance.	ROCAP Project Manager/ INCAE Coordi- nator	Nov. 1988
<b>III. CENTER FOR POLICY STUDIES AND APPLIED ECONOMICS</b>		
<b>A. Policy Dialogue of Public and Private Sector</b>		
1. Future focus of dialogue seminars should be oriented towards sectoral strategies stressing its relationship to export management.	INCAE Coordi- nator	on-going

	Name of Officer responsible for Action	Date Action to be Completed
2. INCAE should present a budget for these seminars and funds should be reprogrammed in order for INCAE to adhere to its original targets.	INCAE Coordinator	Nov. 1988
B. Applied Economics and Policy Research 1. Target research topics for specific themes that will affect more directly the goals and objectives of the project.	INCAE Coordinator	Nov. 1988
C. Newsletters 1. INCAE should arrange for available staff to produce 6 newsletters per year according to its contractual commitment. 2. Develop a list of policy issues for each country for the purpose of guiding the research agenda for ROCAP. Ideas of high priority research topics should be obtained by consulting INCAE regional offices, former policy dialogue participants, entrepreneurs, leaders or bankers. List of topics should be "do-able" in 2 years.	INCAE Coordinator INCAE Coordinator	Sept. 1988 on-going
D. Strengthening Economic Program 1. Reprogram the budgeted demand analysis and MEE support funds within the project.	ROCAP Project Manager/ INCAE Coordinator	Nov. 1988
2. Provide internal controls assuring that faculty salaries are being used exclusively for the redesigned MBA programs and are not being used for the MEE program.	INCAE Coordinator	on-going

H. EVALUATION ABSTRACT (do not exceed the space provided)

The INCAE Regional Export Management Training is functioning very well. Scheduled service delivery of project activities and expenditures are basically on target. The overall quality of performance is between good and excellent. There was some evidence that certain project activities were not sufficiently emphasizing non-traditional exports, but this has already been addressed and corrected wherever possible. Also, there was not a totally satisfactory integration of the four project components to maximize effectiveness in a systematic fashion. A summary of component findings and conclusions are presented in the next section of the PES. The project goal is to stimulate export led growth in the region by helping to improve export management training and encouraging policy reform with particular reference to non-traditional exports. Although it has not been possible to verify increases of non-traditional exports as a result of this project, it is relevant to note that more than 2,000 Central American managers have been trained by INCAE during the past three years, even though approximately 50% of the participants were not involved directly or indirectly with export promotion. Also, where the political climate for non-traditional exports in Central America has been somewhat enhanced by the policy dialogues conducted by the project, there are no specific policies or legislation that can be traced back to the INCAE project.

ABSTRACT

I. EVALUATION COSTS

1. Evaluation Team  
 Name Affiliation

Contract Number OR  
 TDY Person Days  
 No. PDC-0085-  
 1-00-6098-00  
 Work Order  
 No. 28 (78  
 Work days)

Contract Cost OR  
 TDY Cost (US\$)  
 \$61,258

Source of  
 Funds  
 Project

Development Associates  
 Donald A. Swanson  
 Malcolm Young

2. Mission/Office Professional  
 Staff Person-Days (estimate) 10

3. Borrower/Grantee Professional  
 Staff Person-Days (estimate) 22

COSTS

# A.I.D. EVALUATION SUMMARY PART II

J. SUMMARY OF EVALUATION FINDINGS, CONCLUSIONS AND RECOMMENDATIONS (Try not to exceed the 3 pages provided)  
Address the following items:

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

Mission or Office: ROCAP

Date this summary prepared: Nov. 23, 1987

Title and Date of Full Evaluation Report: INCAE Export Management Training Project Mid-Term  
Evaluation dated June 1988.

Purpose of Project Activities: The purpose of the Project is to strengthen INCAE's capabilities in the areas of export management training; assistance to other schools of business/management in the region; and intersectoral policy dialogue seminars. There are four major contract components: 1) Export Management Training; 2) Support for Central American Schools of Business Administration; 3) Center for Applied Economics and Policy Studies, and 4) General Institutional Support.

Purpose of Evaluation: The objective of this evaluation was to: 1) Determine the extent to which INCAE has complied with the goals and purposes of the project; 2) Ascertain the usefulness of the project within the region; and 3) Generate recommendations for areas of improvements and for additional or follow-up activities.

Evaluation Methodology: A two-person team devoted 87 work days of effort to assessing service delivery compliance and the usefulness of the project. The team conducted over 100 interviews with participants and INCAE staff in Guatemala, Costa Rica, El Salvador, and Honduras. They also reviewed documents and project records both at INCAE and ROCAP. A summary of conclusions for each project component is as follows:

The Export Management Training, Component I is providing good case studies and excellent competitiveness seminars. The MBA summer internship program functions fairly well also. The major concerns in this component are 1) ROCAP scholarship funds are being used as an entry fee subsidy to INCAE to conduct competitiveness seminars; and 2) INCAE lacks a focused export oriented approach to their competitiveness seminars and permits project-funded open admissions.

The University Program, Component II has provided good university professor training in two university training programs. Consulting assistance also is being provided to groups of university faculty and staff with reasonable success. However, the university professor scholarship program is not likely to have a discernable impact on university departments.

The Center for Policy Studies and Applied Economics, Component III has made major advances in establishing the Policy Dialogue Seminars. There are however, managerial and administrative issues between INCAE and ROCAP that need to be worked out regarding cost documenting, performance levels and contract compliance.

SUMMARY

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The INCAE Institution Building, Component IV is functioning smoothly in that the library acquisitions are being made, physical construction is complete and the low income scholarship program is functioning well. The only concern relating to the component is that the faculty renewal program needs to be reviewed and revised.

Evaluation Principal Overall Recommendations are:

- 1) Greater Project integration is required to assure that project inputs work together toward export oriented outputs.
- 2) Realistic planning for the sustainability of project activities needs to be initiated.
- 3) A coordinated system for tracking project impacts needs to be initiated to assure that the project is as relevant as possible and to provide a basis for making future adjustments.
- 4) Re-programming and budget revisions are required based upon this mid-term review of the project's present status.

Lessons Learned

The evaluation does not provide a specific Lessons Learned Section. However lessons are implicit in the report which could be useful to other projects. These include:

- 1) In undertaking large and complex projects the matter of central leadership and coordination is an area of serious concern which should be addressed prior to getting involved in this type of project;
- 2) The need for long-term sustainability planning by counterpart institutions to take effect after project funds terminate.

K. ATTACHMENTS (List attachments submitted with this Evaluation Summary; always attach copy of full evaluation report, even if one was submitted earlier)

-INCAE Export Management Training Project  
Mid-Term Evaluation Report

ATTACHMENTS

L. COMMENTS BY MISSION, AID/W OFFICE AND BORROWER/GRANTEE

Considering that the Regional Export Management Training Project is a large and complex undertaking housed within a large educational institution, the evaluators did an excellent indepth and orderly analysis of the many project activities. The evaluators were very responsive to ROCAP's role which set-up the "findings and conclusion approach" which set the tone of the evaluation. Furthermore, in addition to assessing the four project components, the report includes an assessment of overall project usefulness and its impacts in the region. Both ROCAP and INCAE are in agreement with most of the recommendations, and follow-up has begun. Many of the recommendations have already been carried out and action on the others has begun. Once implemented, we have no doubt that the Project will prove to be even more effective and relevant than it has been already.

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MISSION COMMENTS ON FULL REPORT

IMPACT EVALUATION OF THE EXPORT MANAGEMENT TRAINING PROJECT

John C. Ickis and Noel Vidaurre (January 26, 1989)

002290

The purpose of this document is to provide guidelines for the evaluation of the medium-term effects and the longer-term impact of the Non-Traditional Export Management Project carried out by INCAE with the financial support of ROCAP.

Framework

The framework to be used was recommended by senior associates from Management Systems International (MSI), a Washington-based consulting firm. In a two-day workshop in mid-January 1989, the framework was used to develop indicators for evaluating the three major components of the Export Management Project.

The framework consists of a nine-cell matrix as shown in the following figure:

	Programmatic	ID/External	ID/Internal
Impact	1	4	7
Effects	2	5	8
Results	3	6	9

The most common indicators for evaluation are those that measure programmatic results; e.g., the number of training seminars held, the number of participants having attended, etc. While these indicators are easily measurable and objective, they say little about the value of the seminars in achieving program objectives. Similarly, quality measures such as participant satisfaction do not necessarily imply that the seminars have resulted in any behavioral change or any tangible improvements in the participant's performance of his or her job.

The matrix shown above attempts to measure the outcome of programs on two higher levels: at the level of effects, or what changes occur within the individual or the client organization as a consequence of the seminar; and at the level of impact, or how this contributes to achieving final project objectives. These levels are indicated on the vertical axis of the matrix.

It is expected, however, that the results, effects, and impact of the Export Management Program will occur not only with exporters and export companies, but that it will also

enhance the capacity of institutions that support them through legislation, technical assistance, education, credit, etc. Moreover, in the spirit of the original Cooperative Agreement, it will also strengthen the capacity of INCAE itself to provide various kinds of support to export-led national strategies of development.

The second and third columns of the matrix are for the purpose of evaluating these "institutional development" results, effects, and impact; both in external institutions (Ministries of Foreign Trade, exporters' associations, and the like) and in INCAE.

### Criteria for Selection of Indicators

During the workshop with MSI, indicators were selected through a two-step process. First, the director of each project component and his staff developed indicators using criteria provided by the consultants. Second, small groups were formed, each including staff from all components, to develop common indicators at the level of effects and impact. One group concentrated on programmatic effects and impact (cells 1 and 2), a second group on external institutions (cells 4 and 5), and a third group on INCAE (cells 7 and 8).

The criteria applied to the indicators were plausibility, measurability, and efficiency. For example, an increase in non-traditional exports at the national level is a clear indicator that project objectives are being achieved, but how plausible is it to attribute this increase to INCAE training activity? The increased profitability of export companies having participated in INCAE seminars would be a more convincing measure of the quality and quantity of impact, but it is not an efficient indicator in that the data required is virtually inaccessible. Companies are reluctant to divulge their profitability and their accounting systems are often unable to discriminate between profits from domestic sales and export sales.

In the following paragraphs, indicators for six of the nine cells shown in the above matrix are discussed. The three "results" cells were not considered because indicators already exist and are periodically reported to ROCAP in the Trimestral Reports.

### Programmatic Effects

Three types of programmatic effects were identified: (1) increased incentives for exporters; (2) managerial improvements introduced within exporting companies; and (3) development of an "export mentality."

Indicators of increased incentives include: changes in existing legislation; passage of new legislation; and improvements in the implementation of legislation. The former can be easily identified through perusal of the public record; the second may be measured by a longitudinal sample of exporters seeking benefits, to see whether or not there is a reduction of time and red tape.

Managerial improvements are difficult to verify. However, testimonials of specific improvements by seminar participants would constitute convincing evidence. These testimonials will be sought through the application of questionnaires sent to a sample of participants six months after the seminar has taken place.

The development of an "export mentality" is even more difficult to measure. However, some interesting ideas were expressed in the workshop. For example:

- Trips made to the United States by former seminar participants in search of export markets
- Market or other studies undertaken in order to develop new products for export
- Number of contacts made with importers in the U.S. to explore the possibility of forming joint ventures to penetrate the North American market.

#### Programmatic Impact

The two principal indicators of programmatic impact selected in the workshop are: (1) increase the value of export sales by companies whose executives have participated in INCAE seminars; and (2) launching of new export ventures by firms whose executives have participated in the seminars.

The distinction is important, as ROCAP scholarships benefit both exporters and potential exporters. The assumption is that the concepts and analytic techniques developed in the seminars will both help existing exporters to boost their sales, and also help potential exporters to enter new markets.

Export sales by firm are not nearly as difficult to measure as profits from export activities. These figures can generally be cross-checked with government agencies and exporter associations.

#### Institutional Development Effects (External)

If we think of a national export strategy in systemic terms, included would be the suppliers, producers, transporters, and distributors of goods and services sold in

third markets as the operating elements of the system; and the public policy-makers, government promotion agencies, producer associations, export banks, and educational institutions (among others) as the supporting elements. The designers of the Export Management Training Project understood that success of the strategy would require changes by both the operating and supporting elements. Each of the components addresses distinct target groups: (I) the exporters and potential exporters; (II) the educators and the universities; and (III) the policy-makers.

The institutional development (ID) effects may be seen principally within the supporting institutions. These include, for example, (1) the number of new activities in support of exports carried out by institutions whose members have attended INCAE seminars; and (2) the number of assets that remain within those institutions such as books and articles, case collections, course designs, new curricula, etc. Both indicators may be measured through questionnaires sent to the institutions.

#### Institutional Development Impact (External)

The ultimate indicator of institutional impact is the improved capacity of participating institutions to contribute to increased exports in two ways: (1) improved capacity for policy analysis and formulation; and (2) improved service delivery capacity. The activities measured under ID effects should contribute but they in themselves do not constitute evidence of impact. Nor does an increase in non-traditional exports constitute such evidence: in some cases, exports may increase in spite of adverse government policies and lack of support.

The measure that we recommend is the exporters' perception of this improved capacity. Our experience has demonstrated that where exporters genuinely feel that government incentives, policies, and assistance have been effective, exports have increased dramatically. Where exporters complain of a poor policy environment and bureaucratic foot-dragging, exports have lagged.

Our research has shown that even in countries where there is an acceptance by exporters of the highly positive role played by favorable incentives, there is a rather low opinion of services provided by public and private supporting agencies. Therefore, it is important to separate the two indicators.

#### Institutional Development Effects (Internal)

The right-hand column in the matrix concentrates on the effects and impact on the implementing institution. What

does INCAE get out of all this? How are its capabilities enhanced?

According to internal documents, INCAE had three major motivations for undertaking the Export Management Promotion project: (1) to renovate the course material in its residential programs, with greater emphasis on the need for competitiveness in an increasingly interdependent world economy; (2) to increase the relevance and outreach of our then-stagnant executive programs; and (3) to build a conceptual base of knowledge in export policy and management. It was agreed that these objectives could serve as indicators that the Project was having a positive effect on our institutional capacity.

The effect on our residential courses can be measured by (a) the use of Project-developed materials in post-graduate programs; (b) the design of new modules or courses; and, ultimately, (c) the implementation of new programs such as the MEE. The fact that such programs are funded by agencies other than ROCAP does not detract from them as positive indicators of ID; just the opposite, it is evidence of institutional sustainability. In addition, student evaluations of these courses and programs should be considered.

The measurement of greater relevancy and coverage of INCAE executive programs is more difficult because of the absence of baseline data and changing market conditions (though the dramatic loss of purchasing power resulting from devaluations has been offset by the availability of partial scholarships from ROCAP).

It was agreed that valid measures of the generation of new concepts should include (a) the number of books, articles, and working papers published; as well as (b) favorable or unfavorable reviews of this published material.

#### Institutional Development Impact (Internal)

Two indicators of impact and their respective measuring instruments were agreed upon, as follows:

##### Indicator #1

"INCAE as a recognized forum for the discussion of policies and strategies relating to exports."

##### Procedures for measurement

Requests for policy dialogue seminars on export-related topics from international organizations such as the World Bank, BID, etc.

Demand for seminars on export policy and strategy on the macro or micro level by governments in the region, such as the Export Strategy Seminar for exporters recently sponsored by the Central Bank of El Salvador.

Testimonials by high-level officials who have attended these events.

### Indicator #2

"INCAE as a recognized center of learning and knowledge in the area of export policy and management."

### Procedures for Measurement

Invitations to INCAE faculty to attend forums, conferences, and other events of a regional or international nature.

Mention of INCAE in international directories and other publications on non-traditional exports.

Requests from governments and institutions to hold symposia on specific topics related to exports, such as incentives, free zones, etc.

Requests to INCAE for information and materials by universities and other organizations seeking expand their knowledge of the topic.

### Implementation Schedule

The next steps required for the implementation of the impact evaluation system for the Export Management Training Project are the following:

Jan. 26: Distribution of this preliminary draft to MSI consultants, ROCAP, and INCAE faculty involved in the Project.

Feb. 18: Meeting of ROCAP staff and INCAE faculty at Alajuela campus to discuss modifications and refinements. ?

Feb. 19-27: Design of questionnaires and other instruments to measure Project effects and impact.

Mar. 1: Putting evaluation system into effect.

### Responsibility

Primary responsibility for implementation of the Impact Evaluation System will rest with the ROCAP Liaison Officer,

Noel Vidaurre. He will be directly supervised by John Ickis, Dean of the Management School and Coordinator of INCAE Projects with ROCAP. In addition, an Impact Evaluation Committee composed of senior INCAE faculty (Profs. Silvio DeFranco, Eduardo Montiel, and Julio Sergio Ramirez) will provide support and assistance to the evaluation process.