

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

**REGIONAL**  
**(ARGENTINA, BRAZIL, CHILE, GUATEMALA AND PERU)**

**REGIONAL TRAINING PROGRAM FOR SOCIALLY INCLUSIVE  
LOCAL ECONOMIC DEVELOPMENT**

**(RG-M1149)**

**DONORS MEMORANDUM**

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## ABBREVIATIONS

COPEME	Consortio de Organizaciones Privadas de Promoción al Desarrollo de la Micro y Pequeña Empresa [Consortium of Private Organizations for Microenterprise and Small Business Development]
IDB	Inter-American Development Bank
ILO	International Labour Organization
ITC	ILO International Training Centre
LED	Local economic development
MIF	Multilateral Investment Fund
PSR	Project status report
SEBRAE	Serviço Brasileiro de Apoio à Micro e Pequena Empresa [Microenterprise and Small Business Support Service]
SME	Small and medium-sized enterprise(s)
UNIDO	United Nations Industrial Development Organization

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**EXECUTIVE SUMMARY**

<b>Executing agency:</b>	The program will be executed by the Inter-American Development Bank (IDB), through the Office of the Multilateral Investment Fund (MIF), which will sign subexecution agreements with: (i) the United Nations Industrial Development Organization (UNIDO), which will execute components 4 and 5 of the program, providing cofinancing for beneficiary projects and knowledge management; and (ii) the local partner agencies, which will serve as the subexecuting agencies for components 1, 2, 3, and 6 of the program: the Consortium of Private Organizations for Microenterprise and Small Business Development (COPEME) in Peru, a consortium between Universidad Nacional de Rosario and “Los Reyunos” Regional Development Technology Center at Universidad Tecnológica Nacional in Argentina, Consorcio DEL [LED Consortium] in Guatemala, the Microenterprise and Small Business Support Service (SEBRAE) in Brazil, and an entity to be selected in Chile.	
<b>Beneficiaries:</b>	National and subnational government employees, technical specialist: at research institutes and universities, and policymakers.	
<b>Financing:</b>	MIF (nonreimbursable)	US\$3,350,000 (57%)
	UNIDO	US\$ 1,150,000 (19%)
	Counterpart (local partners)	US\$ 1,420,000 (24%)
	<b>Total</b>	<b>US\$ 5,920,000</b>
<b>Program objectives:</b>	The <i>general objective</i> of the program is to support decentralization processes in the region by building capacity for public-private integrated management of sustainable local economic development (LED) processes in the participating countries (initially, Argentina, Brazil, Chile, Guatemala, and Peru). The <i>specific objective</i> is to train technical and policy professionals in various regions and communities in the beneficiary countries, in order to improve their capacity to design, implement, and manage production sector development and job creation initiatives, using an LED and decent	

	work approach. <sup>1</sup>	
<b>Execution schedule:</b>	Execution period:	48 months
	Disbursement period:	54 months
<b>Special contractual clauses:</b>	The activities to be executed by the subexecuting agencies will be eligible for program financing, provided the following criteria are met: (i) the subexecuting agency in the corresponding country has signed a cooperation agreement with the Bank; (ii) the subexecuting agency has presented the annual work plan for the first year of program activities for which it is responsible; and (iii) in the event that the subexecuting agency is also a local partner agency, it must have selected its national coordinator in accordance with Bank procedures.	
<b>Environmental and social impact review:</b>	This operation was approved by the ESR on 27 October 2008. It has been classified as a category “C” operation.	
<b>Coordination with other donors:</b>	The project will be cofinanced by UNIDO and calls for cooperation with the ILO.	
<b>Exceptions to Bank policies:</b>	None.	

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<sup>1</sup> According to the International Labour Organization (ILO), the concept of “decent work” encompasses the creation of quality employment, social protection, social dialogue in the workplace, and respect for basic labor rights.

## I. FRAME OF REFERENCE

### A. Frame of reference

- 1.1 The benchmark market for smaller firms is the community or region in which they are located. They go to the local market to obtain production factors and inputs, particularly labor—of varying skill levels—and a full range of services for production (marketing, technical advisory support, transportation, communication, information, etc.). However, these firms cater to the demand that exists in much larger markets, subject to international competition. The new forces of market liberalization and globalization have obligated and are obligating firms to transform and innovate, often in the absence of effective policy instruments to support these restructuring processes.
- 1.2 This is the context—local markets for obtaining factors and inputs, and a global market for making sales—in which small firms operate. Within the territories and regions of each country, as decentralization policies are implemented, subnational governments (departments, provinces, regions, and municipios) are playing an increasingly proactive role in facilitating production, inasmuch as it is easier for them to identify the bottlenecks and problems that local firms face. At present, subnational governments in Latin America and the Caribbean are responsible, on average, for roughly 20% of public expenditure in their countries, and in many countries, they account for more than 50% of public-sector investment.
- 1.3 Dialogue and cooperation between the public sector, the production and business sector, and knowledge institutions help build a shared vision for development in the respective regions. The participation of these sectors in the design and implementation of production policies helps ensure that these policies are consistent over time, promote economic growth that is inclusive of the most vulnerable members of society, and guarantee decent work<sup>2</sup> and the sustainable use of resources, factors that enhance the business climate of the region.

### B. Challenges for policies and initiatives to promote local competitiveness

- 1.4 Consensus-building, as well as the design and management of production sector development tools that create opportunities for inclusive growth, are hindered by the lack of technical and policy capacity among the relevant entities in each region. In order for dialogue between the various sectors of society to be effective and result in actual initiatives, these skills must be imparted not only at the governmental level but also to other organizations, especially those in the business and labor sectors.
- 1.5 A second challenge is related to problems in establishing efficient, transparent systems for managing local economic development (LED) policies, as well as in monitoring their results, in order to facilitate learning and the ongoing adaptation of

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<sup>2</sup> According to the definition established by the International Labour Organization (ILO) and adopted by the international community, decent work is productive work for men and women under conditions of freedom, equity, security, and human dignity.



the policies to changing market conditions and the needs of the firms. Discerning the impact of policies can set the stage for better consensus-building based on adequate information about policy costs and benefits.

- 1.6 The experience of the Multilateral Investment Fund (MIF) and the Bank in identifying, designing, and preparing projects to support the competitiveness of small and medium-sized enterprises (SMEs) has revealed that local entities have limited capacity to design and manage development initiatives and processes. This has been the experience of the “Production integration and value chains” and “Local competitiveness” project clusters, which have been implemented in decentralized, mostly rural areas far from the countries’ capitals. It is primarily in these regions, which often have locally specific economic and cultural characteristics, where the policies must be adapted to local conditions. These are also the regions where the lack of technical capacity and the weak institutional framework are most acutely felt.

### **C. The experience of development organizations**

- 1.7 The MIF, the United Nations Industrial Development Organization (UNIDO),<sup>3</sup> and the International Training Centre of the International Labour Organization (ITC-ILO)<sup>4</sup> have worked together on a number of activities and participated in knowledge sharing within the framework of the MIF productive integration cluster, a series of projects that has led to the creation of a learning community and the formation of a network of local and national entities from the public and private sectors. Based in part on collaborative efforts with this network, the MIF has developed a Learning Guide that draws on the experience of the productive integration projects. This guide provides the technical know-how, tools, and skills that local actors need in order to plan, execute, evaluate, and monitor territorial economic development strategies.
- 1.8 As part of the process of validating and disseminating this learning guide, the MIF, the ILO, and UNIDO jointly hosted two pilot courses: one in Chile for the directors of the regional offices of the Corporación de Fomento de la Producción [Chilean Economic Development Agency]; and one in Brazil for the Confederação Nacional da Indústria [National Confederation of Industry], in which universities and staff from the Microenterprise and Small Business Support Service (SEBRAE) also participated. As part of this program to disseminate the learning guide, with initial support from the Spanish Trust Fund and subsequent support from the Bank’s

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<sup>3</sup> UNIDO has experience developing clusters with a focus on poverty reduction, which has been documented in Latin America, Africa, and Asia, primarily in India in the latter case. As part of this experience, it has developed community selection and assessment criteria, with an emphasis on reducing poverty and social inequality.

<sup>4</sup> The ITC contributes to the mission of the ILO in terms of promoting decent work through training. To date, more than 160,000 people from 190 countries have benefited from the training and learning services provided by the ITC, which offers over 450 programs per year, including an LED program with more than two decades of experience.

Capital Markets and Financial Institutions Division, courses have also been hosted in Peru, Brazil, and Guatemala. As with the first courses, the purpose of these initiatives is to verify demand and confirm training needs, as well as to identify networks of trainers and institutions that could strengthen implementation of this program.

**D. Rationale and additionality**

- 1.9 This proposal is in response to growing demand in the region for mechanisms to promote competitiveness, at the level of subnational governments in cooperation with the private sector and the knowledge sector (academic and scientific-technical sector), based on the competitive advantages of specific territories and regions. Firms are more competitive when there is a more developed factors market and a more mature, transparent business climate. As the experience of the MIF demonstrates, even when the political will exists and resources are in place, public and private entities may lack the experience, mechanisms, and capacity needed to effectively and sustainably design and manage development policies.
- 1.10 Important complementarities are being generated by the collaboration with UNIDO, which has a long tradition of providing support to production sectors in various regions of the world, with an emphasis on social and economic inclusion.
- 1.11 The proposal is consistent with the MIF II and the priorities of the Bank. The proposed operation will promote a practice of collaboration between the public and private sectors—through joint activities—to implement production sector development tools. In addition, it contributes to the Bank's priorities, inasmuch as it is part of an agenda of work to meet the needs of subnational governments. It also addresses the growing demand for seminars and workshops, in and outside the Bank, on topics related to local competitiveness, regional innovation systems, and the promotion of SMEs in regional contexts, clusters, and value chains. This experience is expected to yield useful lessons for the MIF and the Bank.

## **II. PROGRAM OBJECTIVE AND DESCRIPTION**

**A. Objectives**

- 2.1 The *general objective* of the program is to support decentralization processes in the region by building capacity for public-private integrated management of sustainable LED processes in the participating countries (initially, Argentina, Brazil, Chile, Guatemala, and Peru). The *specific objective* is to train technical and policy professionals in various regions and communities in the beneficiary countries, in order to improve their capacity to design, implement, and manage production sector development and job creation initiatives, using an LED and decent work approach.

**B. Program description**

- 2.2 The proposed training methodology is based on a territorial development approach, that is, an approach that takes into account not only the sectoral environment of the relationships that firms establish between themselves in their respective supply

chains, networks, or clusters, but also the territorial environment in which these relationships unfold, which includes economic, sociocultural, labor, environmental, political, and institutional considerations. The program will target program operators, as well as policymakers, the private business sector, and training institutes in the region. Training will be action-oriented, i.e. focused on the design and implementation of LED initiatives.

- 2.3 The program will be implemented in Argentina, Peru, and Guatemala, though a local partner in each country. Specifically, in Guatemala, Consorcio DEL [LED Consortium] will execute the program and expand it to at least one other country in Central America, most likely El Salvador;<sup>5</sup> in Argentina, it will be a consortium between Universidad Nacional de Rosario and “Los Reyunos” Regional Development Technology Center at Universidad Tecnológica Nacional; and in Peru, it will be the Consortium of Private Organizations for Microenterprise and Small Business Development (COPEME).<sup>6</sup> In addition, the program will run in Brazil, through SEBRAE, and in Chile, with an entity to be selected. In these countries, the executing agencies will disseminate and implement the training activities, with program support limited to trainer training, methodology and course content development, and the dissemination of best practices.

**Component 1: Partnership-building and program promotion (MIF: US\$64,000; Counterpart: US\$102,000)**

- 2.4 This component is intended to create the conditions to make program implementation as efficient as possible. Support will be provided to help the partner agencies in Argentina, Peru, and Guatemala pursue activities to promote the program and build partnerships in the regions or territories of the respective countries. The following activities are planned: (i) events to publicize the program approach and content; (ii) promotion of partnerships with strategic entities for LED training in each country; and (iii) installation of a website and learning community that facilitates promotion of the program, dissemination of results, and communication between the strategic entities that decide to participate in the program and the program beneficiaries.

**Component 2: Capacity-building and production of training materials (MIF: US\$614,800; Counterpart: US\$646,900)**

- 2.5 The purpose of this component is to develop and adapt instructional materials and build a network of professionals in the different countries, including Brazil and Chile, who are able to provide the training and technical assistance envisaged as

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<sup>5</sup> Consorcio DEL comprises Red Nacional de Grupos Gestores [National Network of Community Promotion Groups], Fundación Soros – Guatemala [Soros Foundation – Guatemala], Programa Municipios para el Desarrollo Local [Municipios for Local Development Program], Universidad del Valle, and Programa Nacional de Competitividad [National Competitiveness Program].

<sup>6</sup> COPEME, created in July 1990, is a civil society consortium of more than 50 institutions from Peru’s major cities.

part of this program. These professionals will make the program more sustainable inasmuch as they will be able to continue provide skills development and, especially, assistance to the institutions that participate in production sector development processes in the various regions.

2.6 The program calls for the following activities:

- a. Development of instructional materials: Support will be provided to update and adapt the guides and materials available from the MIF, the ILO, UNIDO, and the partner agencies, and to conduct case studies in each country, in order to tailor the instructional materials to the various target groups; this will include an analysis of the territorial context in the five countries in order to identify, using socioeconomic criteria, the regions or territories of greatest interest in terms of implementation of this program;
- b. Strengthening of the distance education platform, in order to supplement instruction using a virtual learning system, which is intended to be built on existing platforms such as Delnet, developed by the ITC-ILO based on its body of recent experience; this tool will be developed in coordination with the Bank's Office of Learning;
- c. Basic training courses of a general nature for high-level policymakers, in order to ensure a basic level of knowledge and guarantee that both the central government and the political leaders have the necessary capacity for strengthening dialogue with the subnational governments;
- d. Creation of a network of specialists (master trainers) to train trainers and eventually act as tutors; this activity will provide refresher training to the participating professionals and strengthen skills development through experiences with the program;
- e. Training of trainers—25 to 30 in each country—selected based on professional experience and availability to participate in the program; three regional training courses are envisioned and will preferably be held at different times with participants from a number of countries to facilitate cross-fertilization; the participating professionals will be required to complete a practicum—in support of component 4 activities—as part of their training;
- f. Analysis of training experiences and feedback on methodological inputs based on the knowledge acquired during program execution.<sup>7</sup>

**Component 3: Training for program operators and policymakers (MIF: US\$622,800; Counterpart: US\$170,400)**

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<sup>7</sup> This feedback will be important in adapting the methodologies to the various countries and contexts in which the courses will take place and using them to their greatest advantage. The knowledge management and program analysis activities planned under component 5 relate primarily to the impact of the program on the activities of the beneficiaries and on the territory in which the beneficiaries operate.

- 2.7 This component will support the training of technical and policy professionals who participate in the design and operation of LED policies. These include leaders of chambers of commerce; municipal, provincial, regional, and state authorities; local development managers; union leaders; and directors of research institutes, universities, and nongovernmental organizations.
- 2.8 For this purpose, onsite courses will be held in various regions or territories in the selected countries, possibly including cross-border regions, i.e., regions encompassing several countries. The courses will include: (i) onsite theory sessions; (ii) site visits; (iii) product development, i.e., projects to promote sustainable production sector development between participants from the same region or territory; and (iv) mentoring and review of products and programs. The program also calls for external specialized courses for participants distinguished by their performance and interest in the topic. As part of onsite training activities, the virtual platform described in component 2 will be used to monitor and assist graduates.

**Component 4: Selection and implementation of best project proposals (MIF: US\$1,162,000; Counterpart: US\$800,000)**

- 2.9 This component will provide partial financing for the best projects—initiatives that promote sustainable production sector development—prepared by the participants in the courses financed under component 3 as their final assignment. Implementation support will also be provided.
- 2.10 This facility will award projects a maximum of US\$100,000 each and no more than 70% of the total cost of each project.<sup>8</sup> The financing will be allocated based on the following eligibility criteria: (i) the projects must be presented jointly by public and private organizations; (ii) the executing agency must be legally constituted in the region; and (iii) counterpart resources must be available. For the selection of projects, the following ranking criteria will be applied: (i) expected impact on poverty and inequality reduction; (ii) presence and strength of institutions in the respective territory; (iii) additionality of the project with respect to current conditions, and its potential for replication; and (iv) a high level of innovation.<sup>9</sup> The selection process will consist of two phases: the first phase will be handled by the partner agencies, which will rank the best proposals in the corresponding countries; and the second phase will be handled by a Selection Committee consisting of the following members: the technical director of the program, an IDB/MIF representative, and a UNIDO representative. The process is described in the Operating Regulations and may be changed by the Selection Committee with the agreement of the IDB/MIF.

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<sup>8</sup> This is an estimate and should be adjusted during the program once the contributions of the other donors have been confirmed. Average financing for the projects is not expected to exceed US\$80,000.

<sup>9</sup> During program execution, the management unit will work with UNIDO to develop detailed criteria for selecting proposals as well as the selection process to be used.

- 2.11 Successful applicants will receive support during implementation and management of the beneficiary projects from the partner agencies, which will administer use of the funds transferred to them by UNIDO in its capacity as subexecuting agency of this component. This support will be provided by a team of one or more trainers trained under the program, the national coordinator of the corresponding partner agency, and the regional advisor; specialists may also be hired to advise on very specific topics (sectoral, production processes, environmental, etc.).

**Component 5: Knowledge management and expansion of the program to other Latin American countries (MIF: US\$32,000; Counterpart: US\$336,775)**

- 2.12 This component will expand knowledge in the area of sustainable LED by compiling, documenting, and publicizing information and experiences acquired over the course of the program. UNIDO, which is responsible for executing this component, will take advantage of experiences from countries in other regions of the world (mainly Asia and Africa) to compare, supplement, and disseminate knowledge. The program will support:
- a. Documentation of experiences and lessons learned, selected on the basis of input from the regional advisor and the monitoring and evaluation system (case studies, technical notes or policy briefings, etc.);
  - b. Expansion of knowledge, taking advantage of the program experience and the findings of action-oriented research that will be conducted in partnership with renowned universities, to develop recommendations on the design and implementation of technical-assistance programs and the formulation of policies for sustainable LED; and
  - c. Pilot activities in other countries in Latin America for the purpose of expanding the scope of the program, geared mainly towards countries where LED initiatives that could be strengthened under this program are being planned or implemented. Activities include: the organization of awareness-raising workshops, a trainer training course, and a short training course for high-level authorities.

**Component 6: Monitoring, dissemination of results, and sustainability (MIF: US\$79,000; Counterpart: US\$67,000)**

- 2.13 The purpose of this component is to implement a results monitoring and evaluation system, disseminate program results, and facilitate program sustainability. To this end, the program will finance: (i) the design and implementation of the program monitoring system; and (ii) events to disseminate the results of the program in the three countries where it will be implemented.
- 2.14 **Expected results of the program.** The most important of the expected results are as follows: (i) training of at least 500 high-level officials from central (federal), regional (state), and municipal governments, representatives from chambers of commerce, unions, and other academic and scientific institutions in five countries (at least 100 per country and 25 more in countries supported by component 5);

(ii) identification and creation of a network of at least 30 senior specialists; (iii) training of at least 200 professionals to multiply the LED training activities and 400 onsite program operators and LED policymakers; (iv) preparation of at least 30 to 45 LED projects by the professionals—from public and private entities—who attend the training courses, of which 20 projects will be implemented with program financing; and (v) development of knowledge products to inform development policies and facilitate the application of methodologies consistent with experiences from this program and lessons drawn from other initiatives.

### III. COST AND FINANCING

- 3.1 The estimated total cost of the program is US\$5,920,000. Of this amount, the MIF will contribute US\$3,350,000 (57%) in nonreimbursable resources. The remainder will be contributed by UNIDO (19%) and the local partner agencies (24%).<sup>10</sup> The partner agencies in Argentina, Guatemala, and Peru will contribute US\$340,000 each to cover activities envisioned under the components they will be responsible for executing. The partner agencies in Brazil and Chile will contribute US\$200,000 each for activities corresponding to component 2. The team will determine with each partner agency the amount of the contribution that they will administer based on an analysis of the activities to be executed in each country.

**Cost Table**

<b>Budget categories</b>	<b>MIF</b>	<b>UNIDO</b>	<b>Partner</b>	<b>TOTAL</b>	<b>%</b>
Component 1: Partnership-building and program promotion	64,000		102,000	166,000	2.8%
Component 2: Capacity-building and production of training materials	614,800		646,900	1,261,700	21.3%
Component 3: Training for program operators and policymakers	622,800		170,400	793,200	13.4%
Component 4: Selection and implementation of best project proposals	1,162,000	800,000		1,962,000	33.1%
Component 5: Knowledge management and expansion of the program to other Latin American countries	32,000	336,775		368,775	6.2%
Component 6: Monitoring, dissemination of results, and sustainability	79,000		67,000	146,000	2.5%
Program coordination	583,000		412,400	995,400	16.8%
<b>SUBTOTAL</b>	<b>3,157,600</b>	<b>1,136,775</b>	<b>1,398,700</b>	<b>5,693,075</b>	<b>96.1%</b>
Midterm and final evaluations	40,000			40,000	0.7%
Audits	30,000			30,000	0.5%
Contingencies	105,650	13,225	21,300	140,175	2.4%
MIF impact evaluation account	16,750			16,750	0.3%
<b>TOTAL</b>	<b>3,350,000</b>	<b>1,150,000</b>	<b>1,420,000</b>	<b>5,920,000</b>	<b>100%</b>
Percentage	<b>57%</b>	<b>19%</b>	<b>24%</b>		

<sup>10</sup> The ILO is expected to support execution of the second component by contributing resources above and beyond the planned counterpart contribution, which will constitute an additional contribution that does not compromise program objectives.

- 3.2 **Sustainability.** Sustainability will be provided by developing a high-quality LED curriculum and transferring training capacity to the partner agencies. In addition, the professional and institutional networks created by the program will make it easier to update and generate knowledge on a continual basis. At least one year prior to completion of the program execution period, a sustainability workshop will be held with representatives of the Bank, representatives of the executing agencies, and others to be determined, in order to identify the actions needed to ensure program continuity after program funds have been exhausted.

#### IV. PROGRAM IMPLEMENTATION

- 4.1 **Organization of execution.** The program will be executed by the Inter-American Development Bank, through the Office of the MIF. For program execution, the MIF will sign subexecution agreements with each of the partner agencies (see paragraph 2.3), which will be responsible for executing program activities in their respective countries and liaising with the IDB/MIF for most of the activities envisioned as part of components 1, 2, 3, and 6. An agreement will also be signed with UNIDO, which will be responsible for executing components 4 and 5 of the program. For execution of the initiatives financed under component 4, UNIDO will sign separate agreements with each of the partner agencies, with the consent of the IDB/MIF.
- 4.2 The Operating Regulations for the program describe the various responsibilities with respect to program activities. In addition, specific Operating Regulations will describe the relationship with each subexecuting agency. This execution mechanism will help ensure that methodological uniformity is maintained across the program, even as program features vary from country to country, and that efficiency gains are realized through certain consulting contracts.
- 4.3 A **program council** will be created to chart a strategic course for the program. In addition to MIF representatives, it will consist of representatives from the partner agencies, UNIDO, and other entities that may join this initiative such as the ITC-ILO and the Red de Desarrollo Económico Territorial y Empleo para América Latina y el Caribe [Territorial Economic Development and Employment Network for Latin America and the Caribbean].<sup>11</sup> The council will be able to meet virtually, and its functions will include the following: (i) approve the overall execution plan for the program, the annual work plans, the milestones table for the program execution period, the budget, and the semiannual progress reports; (ii) review performance and identify the necessary corrective measures; and (iii) review the program evaluation system.
- 4.4 For program execution, the MIF will create a subordinate **management unit** consisting of a technical director, a regional advisor, and an

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<sup>11</sup> This is an institution sponsored by the Science and Technology for Development program financed by the Spanish Agency for International Development Cooperation and consisting of researchers, specialists, and managers of territorial economic development and employment projects. It brings together renowned LED specialists from Latin America and Europe.



- administrative/accounting assistant. The **technical director of the program**, who will serve as secretary on the program council, will manage the program in all stages (orientation, organization, delivery, maintenance, quality, and technical level) and fulfill, *inter alia*, the following responsibilities: (i) coordinate planned activities, particularly those planned under component 2; (ii) organize the activities of the partner agencies in the various countries; (iii) represent the program before other external organizations and institutions; (iv) select and contract personnel upon approval of the selection in the program council; and (v) deliver performance monitoring reports as indicated in the Operating Regulations. The **regional advisor** will have technical capacity and knowledge of the region and will provide any necessary technical support to the partner agencies, ensuring technical standardization and an extensive exchange of national experiences. In addition, the advisor will visit the partner agencies periodically to get a better overview of program performance and help find solutions to any problems that arise.
- 4.5 The partner agencies will create one **operating unit** in each country to execute program activities. Each unit will have a national coordinator who will have the administrative personnel, infrastructure, and operating budget needed to develop the program. The **national coordinators of the program in each country** will work exclusively on implementing the program in the country and will have the following responsibilities: (i) coordinate and monitor implementation and the results of activities implemented in the country; (ii) publicize the program; (iii) monitor the performance of trainers and give them feedback; (iv) support the selection, implementation, and management of the projects envisioned under component 4; (v) deliver performance monitoring reports on activities in the country to the technical director of the program, as indicated in the Operating Regulations; (vi) organize and support program evaluation processes; (vii) keep and deliver program accounts to the technical director of the program; and (ix) provide any information requested by the Bank.
- 4.6 **Disbursements.** In addition to fulfillment of the requirements established in the General Conditions of the technical-cooperation agreement and standard Bank disbursement procedures for nonreimbursable technical-cooperation operations, disbursements to subexecuting agencies will be contingent upon the achievement of key indicators (milestones) established and agreed upon with the management unit. These indicators, together with the milestones established for the management unit, will be approved by the program council during the approval process for the corresponding annual work plan. In accordance with this project management mechanism, a revolving fund will be established with each subexecuting agency for an amount up to 25% to disburse the funds requested by the subexecuting agencies for the activities and costs identified during their individual annual planning exercises. Achievement of milestones does not exempt the subexecuting agencies from the responsibility to reach the program objectives as set forth in the logical framework. The first advance of funds will be provided to the subexecuting agencies upon fulfillment of the conditions established in the executive summary.

- 4.7 **Procurement.** The management unit and the subexecuting agencies will procure program goods and services, including consulting services, in accordance with Bank policies (documents GN-2349-7 and GN-2350-7, as revised) and MIF guidelines, as well as with the procurement plans. Prior to initiating any procurements, each subexecuting agency will present the MIF management unit with a procurement plan for the activities within its purview, which will be reviewed and updated semiannually. Procurements will be reviewed ex post by the Bank on an annual basis. The application and frequency of these reviews may be modified by the MIF based on the results of reviews and/or the institutional assessments performed during program execution.

## V. MONITORING AND EVALUATION

- 5.1 **Project status reports.** The subexecuting agencies will be responsible for delivering the respective project status reports (PSR) to the MIF management unit within 30 days after the end of each six-month period. These reports will follow a format previously agreed upon with the MIF and will contain information on the status of project execution, achievement of milestones, results achieved, and their contribution to project objectives as stated in the logical framework and other operational planning instruments. These reports will also describe any problems encountered and outline possible solutions. Within 90 days prior the end of the execution period, the subexecuting agencies will submit a final PSR to the management unit, which will highlight the results achieved, the sustainability plan, and lessons learned. The management unit will consolidate the information in the corresponding program reports.
- 5.2 **Financial supervision.** The subexecuting agencies will establish and maintain adequate financial accounts, internal control mechanisms, and record-keeping systems for the operation, in accordance with IDB/MIF accounting and auditing rules and policies. The IDB/MIF will contract independent auditors to conduct audits of the financial statements prepared by the subexecuting agencies when 50% of the contribution has been disbursed and at program completion. These audits will encompass the resources that will be used to finance the projects selected under component 4, whereas the additional resources that will be executed directly by UNIDO will be audited by that organization when 50% of the contribution has been disbursed and at program completion. Supporting documentation for disbursements to the subexecuting agencies will be subject to annual ex post reviews. The application and frequency of these reviews may be modified by the IDB/MIF based on the results of reviews and/or the institutional assessments of the subexecuting agencies performed during program execution.
- 5.3 **Evaluation.** Using program resources, the management unit will select and hire independent consultants to perform two evaluations. A midterm evaluation will be done when 50% of the MIF contribution has been used or 24 months into program execution, whichever occurs first; a final evaluation will be conducted 90 days before the end of the execution period. Terms of reference for these evaluations will

be prepared by the technical director and approved by the MIF. The midterm evaluation will cover, *inter alia*: (i) the degree of completion of scheduled activities, and changes in and relevance of the logical framework indicators; (ii) the quality and effectiveness of the subexecuting agencies with respect to implementation of program activities; (iii) the relationships between the various subexecuting agencies and, generally, the execution mechanism; (iv) the level and quality of demand and the actual beneficiaries; (v) the quality and relevance of the projects selected under component 4; (vi) the problems, risks, and challenges associated with program execution and recommendations for effective implementation; and (vii) the conditions needed to ensure the sustainability of the program. The final evaluation will include an analysis of program outcomes measured against the program baseline, in addition to covering, *inter alia*, the following: (i) the degree of fulfillment of program objectives and purpose; (ii) user satisfaction, based on a user survey; (iii) program efficacy and efficiency; (iv) the degree to which the partner agencies assimilate the training products and the level of dissemination in the country and the beneficiary territories; and (v) the level and probability of program sustainability once the MIF resources have been exhausted. Within the three months prior to the end of program execution, a closing workshop will be held for representatives of the Bank, representatives of the executing agencies, and others to be determined to jointly evaluate program outcomes and identify lessons learned.

## VI. BENEFITS AND RISKS

- 6.1 **Benefits.** By its completion, the program will have enabled implementation of a training program in at least three countries through the development and adaptation of instructional materials and methodologies and the feedback generated by analyses of effectiveness. In addition, a distance education tool will have been strengthened and disseminated in a number of countries in the region. Lastly, in addition to the results described in paragraph 2.14, stakeholders will have been made aware, at least, of the decentralization processes under way in seven countries in the region, and a network of specialists able to help formulate LED policies will have been created.
- 6.2 **Risks.** The main risks to this operation are as follows:
- a. Program execution. Coordination activities will play a very important role in this program because not only must a number of entities be coordinated, but program content and activities must be adapted to local conditions. To mitigate this risk, the Office of the MIF will execute and coordinate the program, ensuring a management unit that is sufficiently solid. In addition, the program will take advantage of the professional networks in the various countries, strengthening them for content development.
  - b. Scarce or very restricted demand (public sector only). The program is based on strengthening the training of human resources at the various entities

involved in development in each region. To promote the participation of these stakeholders, components 1 and 2 of the program, in addition to promoting the program, call for the identification of territories and regions where there is already some degree of cooperation between the various institutions involved in development.

## **VII. ENVIRONMENTAL AND SOCIAL CONSIDERATIONS**

- 7.1 The program will place priority on the dissemination of good practices in decent work, a key factor in improving quality of life. It is also intended to have a positive social impact by increasing the quality and quantity of jobs through training, technical assistance, and dissemination of good practices in the SME sector. The program will promote initiatives that couple environmental stewardship and LED, inasmuch as the former is a cornerstone of sustainable local development strategies based on quality and product differentiation as dimensions of territorial competitiveness. Classification: C.

**REGIONAL  
REGIONAL TRAINING PROGRAM FOR SOCIALLY INCLUSIVE LOCAL ECONOMIC DEVELOPMENT  
(RG-M1149)**

**LOGICAL FRAMEWORK**

OBJECTIVE	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>GOAL</b>			
To support decentralization processes in the region by building capacity for public-private integrated management of sustainable local economic development (LED) processes in the participating countries (initially, Argentina, Brazil, Chile, Guatemala, and Peru)	<p>Three years after program completion:</p> <ul style="list-style-type: none"> <li>• The amount of public funds mobilized to finance LED and employment projects has increased.</li> <li>• Business climate perceptions have improved in the territories benefited by the program.</li> <li>• Investment (public and private) and employment levels have risen.</li> <li>• Reforms to the political and institutional framework for promoting LED have been introduced as a result of program activities.</li> <li>• The number of LED initiatives or projects in execution has grown.</li> <li>• The income, sales, and productivity (total sales/total costs) of the firms supported by the LED pilot projects have increased.</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline established upon program completion, including business climate survey</li> <li>• National, regional/provincial, and municipal budgets</li> <li>• Inter-firm cooperation agreements</li> <li>• Business plans</li> <li>• Project impact evaluation (subject to MIF eligibility)</li> </ul>	<ul style="list-style-type: none"> <li>• Governments allocate budgetary resources to local development projects.</li> <li>• The political will to maintain vehicles for public-private coordination exists.</li> </ul>
<b>PURPOSE</b>			
To train technical and policy professionals in various regions and communities in the beneficiary countries, in order to improve their capacity to design, implement, and manage production sector development and job creation	<p>By program completion:</p> <ul style="list-style-type: none"> <li>• A curriculum for training in local development and employment that can be adapted to the characteristics of each territory where training is offered has been developed.</li> </ul>	<ul style="list-style-type: none"> <li>• Project status report (PSR)</li> <li>• Midterm and final evaluations</li> </ul>	<ul style="list-style-type: none"> <li>• The governments are interested in LED.</li> <li>• The rate of turnover among institutional staff does not threaten the</li> </ul>

OBJECTIVE	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
initiatives, using an LED and decent work approach. <sup>1</sup>	<ul style="list-style-type: none"> <li>At least four institutions per country have been added to the roster or strengthened as providers of high-quality training courses in territorial economic development and employment.</li> <li>In the regions covered by the program, public-private relations have improved, i.e., operational meetings between the two sectors have increased by more than 50% and at least two specific initiatives are under way in each region/macregion, in addition to the projects developed under component 4.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring system reports</li> <li>Minutes of meetings and territorial development plans</li> <li>Business plans</li> <li>Description of portfolio of support services for the local private sector</li> <li>Baseline, including business climate survey</li> </ul>	<p>progress of the program.</p> <ul style="list-style-type: none"> <li>The technology platforms of the entities in the countries are adapted to program requirements in order to facilitate information-sharing.</li> </ul>
<b>COMPONENTS</b>			
<p><b>COMPONENT 1: Partnership-building and program promotion</b></p> <p>To create the conditions to make program implementation as efficient as possible. Support will be provided to help the partner agencies in Argentina, Peru, and Guatemala pursue activities to promote the program and build partnerships in the regions or territories of the respective countries</p>	<ul style="list-style-type: none"> <li>Three to four strategic partnerships (agreements) established in each country with territorial or regional entities to conduct LED training activities in territories in the participating countries (between months 1 and 6).</li> <li>Installation of a Web-based platform that facilitates program promotion and the dissemination of results, creating a learning and practice community for LED in Latin America and the Caribbean and strengthening the websites of the local partner agencies (initiated by month 7 and updated on an ongoing basis through program completion).</li> </ul>	<ul style="list-style-type: none"> <li>PSR</li> <li>Monitoring system reports</li> <li>Consultant reports</li> <li>Midterm and final evaluations</li> <li>Surveys of dissemination workshop participants</li> <li>Website</li> </ul>	<ul style="list-style-type: none"> <li>The training entities in the territories and regions are interested in program activities.</li> </ul>
<p><b>COMPONENT 2: Capacity-building and production of training materials</b></p> <p>To build a network of professionals in the beneficiary countries who are able to provide the training and technical assistance envisaged as</p>	<ul style="list-style-type: none"> <li>Twenty LED case studies developed (four studies for each one of the five countries), for incorporation into the course curricula, by month 9.</li> <li>Curricula for training in LED methodologies that can be adapted to each country developed based on the case</li> </ul>	<ul style="list-style-type: none"> <li>PSR</li> <li>Midterm and final evaluations</li> <li>Monitoring system reports</li> <li>Training platform and</li> </ul>	<ul style="list-style-type: none"> <li>There are professionals interested in joining the network of specialists in local development.</li> <li>There is interest among</li> </ul>

<sup>1</sup> According to the International Labour Organization (ILO), the concept of “decent work” encompasses the creation of quality employment, social protection, social dialogue in the workplace, and respect for basic labor rights.

OBJECTIVE	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
part of this program	<p>studies (by month 7).</p> <ul style="list-style-type: none"> <li>• Awareness-raising activities and basic training in LED methodologies provided to at least 450 high-level central (federal), regional (state), and municipal government officials, representatives from chambers of commerce, unions, and other academic and scientific institutions, in five countries: 100 per country and 25 more in countries supported by component 5 activities.</li> <li>• Network of 30 to 40 specialists to train LED trainers in the five participating countries established (by month 8).</li> <li>• At least 125 professionals trained (25 per country) as trainers, for the purpose of multiplying the LED training activities in selected territories of those countries (75 trained by month 17 and 75 trained by month 20).</li> </ul>	curriculum	<p>stakeholders in receiving training under the program.</p> <ul style="list-style-type: none"> <li>• There is interest and an ability to pay among the trainers who will receive training under the program.</li> </ul>
<p><b>COMPONENT 3: Training for program operators and policymakers</b></p> <p>To provide training to technical and policy professionals who participate in the design and operation of LED policies</p>	<ul style="list-style-type: none"> <li>• A total of 400 professional onsite program operators and LED policymakers trained (200 by month 11 and 200 by month 21).</li> <li>• Between 30 and 45 territorial economic development projects prepared by individuals or groups attending the training courses, as their final assignment (at least 15 projects by month 14 and 15 projects by month 23).</li> <li>• A total of 24 people trained in advanced LED training courses (12 people by month 18 and 12 people by month 30).</li> <li>• Strengthening of the LED and employment distance education platform, through which some of the LED mentoring services planned under the program will be provided, and mentor participation in the distance basic training courses and training of trainers.</li> </ul>	<ul style="list-style-type: none"> <li>• PSR</li> <li>• Midterm and final evaluations</li> <li>• Monitoring system reports</li> <li>• Participant registrations and evaluations of training</li> <li>• Project proposals</li> <li>• Web-based distance education platform</li> </ul>	<ul style="list-style-type: none"> <li>• There is interest among stakeholders in receiving training under the program.</li> <li>• Individuals interested in participating in the courses are able to pay.</li> </ul>
<p><b>COMPONENT 4: Selection and implementation of the best LED project proposals</b></p> <p>To implement the best projects prepared by the</p>	<ul style="list-style-type: none"> <li>• At least 20 LED projects financed by the program facility (10 by month 21 and 10 by month 30).</li> <li>• Conclusion of trainer training through the participation of trainers in mentoring activities.</li> </ul>	<ul style="list-style-type: none"> <li>• PSR</li> <li>• Midterm and final evaluations</li> <li>• Monitoring system reports</li> </ul>	<ul style="list-style-type: none"> <li>• The applicants for project financing obtain counterpart contributions of at least 30%, the percentage required to</li> </ul>

OBJECTIVE	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>participants in the courses as their final assignment and provide field support for their implementation</p>		<ul style="list-style-type: none"> <li>Participant registrations and evaluations of training</li> <li>Project proposals</li> </ul>	<p>participate.</p> <ul style="list-style-type: none"> <li>The group of trainers remains intact to provide mentoring support for the projects.</li> </ul>
<p><b>COMPONENT 5: Knowledge management and expansion of the program to other Latin American countries</b></p> <p>To expand knowledge in the area of sustainable LED by compiling, documenting, and publicizing information and experiences acquired over the course of the program</p>	<ul style="list-style-type: none"> <li>At least four institutions in each participating country have received information and lessons learned on the program experience (by program completion).</li> <li>Two reports with recommendations on the design and implementation of technical-assistance programs and the formulation of policies on sustainable LED and employment improvement (by program completion).</li> <li>A total of 150 people informed about the LED approach and the training options offered through the program in three additional countries in Latin America and the Caribbean (75 by month 24 and 75 by month 30).</li> <li>A total of 60 trainers trained in LED in two training courses—one in Central America and one in South America (covering at least three countries in Latin America and the Caribbean) (as from month 30).</li> <li>A total of 75 high-level authorities trained in three short courses on LED held in three countries in Latin America and the Caribbean (as from month 30).</li> </ul>	<ul style="list-style-type: none"> <li>PSR</li> <li>Midterm and final evaluations</li> <li>Monitoring system reports</li> <li>Reports on lessons learned</li> </ul>	<ul style="list-style-type: none"> <li>Specialized consultants are available.</li> <li>There is interest in participating in training among potential trainers in the other three countries in Latin America and the Caribbean.</li> <li>There is local support in the three additional countries for replicating the program.</li> </ul>



OBJECTIVE	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>COMPONENT 6: Monitoring, dissemination of results, and program sustainability</b> To implement a results monitoring and evaluation system, disseminate program results, and facilitate program sustainability	<ul style="list-style-type: none"> <li>At least five institutions per country in Argentina, Guatemala, Peru, and others hear about program results (by program completion).</li> <li>At least three regions in other countries demonstrate interest in implementing LED training programs in their territories.</li> </ul>	<ul style="list-style-type: none"> <li>PSR</li> <li>Midterm and final evaluations</li> <li>Monitoring system reports</li> <li>Summary reports on dissemination events</li> </ul>	<ul style="list-style-type: none"> <li>Interest is generated in other countries/regions in replicating training and implementing pilot projects.</li> <li>The local partner agencies generate information on time to input into the monitoring system.</li> </ul>
<b>ACTIVITIES</b>			
<b>COMPONENT 1: Partnership-building and program promotion</b> 1.1 Promotional workshops 1.2 Partnerships with strategic entities for LED training 1.3 Installation of an online learning and practice community and websites	<ul style="list-style-type: none"> <li>Two LED information and promotional events held by month 6 in each of the countries (Argentina, Guatemala, and Peru), targeting LED program managers and operators, policymakers, business, political, social, and union leaders, congressional representatives and senators, etc.</li> <li>Strategic partnerships established with at least three institutions identified in each country by month 6.</li> <li>Website in use by month 6; individual websites improved thereafter until month 48.</li> </ul>	<ul style="list-style-type: none"> <li>PSR</li> <li>Midterm and final evaluations</li> <li>Monitoring system reports</li> <li>Participant registrations and evaluations of training</li> <li>Project proposals</li> <li>Agreements establishing partnerships between entities</li> <li>Web-based distance education platform</li> </ul>	<ul style="list-style-type: none"> <li>Qualified professionals are available in the countries to implement the trainer training activities.</li> <li>Potential beneficiaries are interested and have enough time to participate.</li> </ul>
<b>COMPONENT 2: Capacity-building and production of training materials</b> 2.1 Development of instructional materials and case studies 2.2. Distance education 2.3 Basic LED training courses for high-level authorities 2.4 Creation of a network of senior specialists in LED 2.5 Trainer training courses 2.6 Analysis of experiences and feedback on LED training methodologies	<ul style="list-style-type: none"> <li>Consulting services contracted for the analysis in month 2.</li> <li>Territorial analysis completed by month 5.</li> <li>Instructional materials prepared and adapted for the five countries by month 8.</li> <li>Case studies prepared by month 5.</li> <li>Update of the distance education platform completed by month 9.</li> <li>Five courses offered by month 6 and a total of 10 courses offered by month 25.</li> <li>At least 30 specialists identified by month 6; network created by month 8.</li> <li>Selection of participant until month 6 for the first course</li> </ul>		

OBJECTIVE	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p>and until month 12 for the second course. An initial onsite course offered simultaneously in two countries between months 6 and 17, and a second course offered between months 10 and 20. One distance course completed by month 10, and a second course completed by month 20.</p> <ul style="list-style-type: none"> <li>• 10 workshops held (two in each of the five participating countries) to analyze experiences and generate feedback on methodological inputs for LED training activities: one midterm workshop by month 24 and one final workshop by month 42.</li> </ul>		
<p><b>COMPONENT 3: Training for program operators and policymakers</b></p> <p>3.1 Selection of beneficiaries</p> <p>3.2 LED courses (onsite)</p> <p>3.3 Mentoring and support for course graduates</p>	<ul style="list-style-type: none"> <li>• A total of 200 beneficiaries selected by month 11 and 200 more selected by month 21.</li> <li>• Twelve LED courses (four courses in each of the three participating countries) held: 6 courses by month 17 and a total of 12 courses by month 28.</li> <li>• Mentoring for participants in each of the four courses provided by month 24 and month 34.</li> <li>• Delnet platform created by month 9.</li> </ul>		
<p><b>COMPONENT 4: Selection and implementation of the best LED project proposals</b></p> <p>4.1 Establishment of a facility for projects</p> <p>4.2 Selection of projects to be supported by the facility</p> <p>4.3 Mentoring in support of selected projects</p>	<ul style="list-style-type: none"> <li>• Facility established by month 15.</li> <li>• At least 5 projects selected by month 21 and at least 5 selected in month 31.</li> <li>• Mentoring provided from month 23 to month 44.</li> </ul>		

OBJECTIVE	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>COMPONENT 5: Knowledge management and expansion of the program to other Latin American countries</b> 5.1 Action-oriented research 5.2 Documentation of experiences and dissemination of lessons learned 5.3 Pilot activities to expand the program to other countries in Latin America and the Caribbean	<ul style="list-style-type: none"> <li>Two studies conducted based on the program experience, on topics of general interest, in partnership with universities and entities with recognized expertise in LED, researchers and/or consultants: first study by month 38 and second study by month 40.</li> <li>Documentation of the main lessons learned and preparation of publicity materials in partnership with research institutes, universities, and publications recognized internationally completed by month 28.</li> <li>Training courses and events: 1 by month 42 and 2 by month 43.</li> </ul>		
<b>COMPONENT 6: Monitoring, dissemination of results, and program sustainability</b> 6.1 Design and implementation of the monitoring and evaluation system 6.2 Events to disseminate results and lessons learned	<ul style="list-style-type: none"> <li>Monitoring and evaluation system designed and implemented by month 5 and in operation until program completion.</li> <li>Four workshops held to disseminate results and lessons learned: one regional workshop and three country workshops in Argentina, Guatemala, and Peru between months 44 and 46.</li> </ul>		

**REGIONAL  
REGIONAL TRAINING PROGRAM FOR SOCIALLY INCLUSIVE LOCAL ECONOMIC  
DEVELOPMENT  
(RG-M1149)**

**ITEMIZED BUDGET**

	Category	MIF	UNIDO	Local partner	Total	%
<b>Component 1: Partnership-building and program promotion</b>						
1.1	Information, publicity, and awareness-raising	9,000		75,000	84,000	1.5%
1.2	Partnerships with strategic entities for LED training in each country	30,000			30,000	0.5%
1.3	Installation of a website	25,000		27,000	52,000	0.9%
1.3.a	Consulting services for creation	10,000			10,000	0.2%
1.3.b	Maintenance of program and local partner agency websites	15,000		15,000	30,000	0.5%
1.3.c	Website for each local partner agency (design)			12,000	12,000	0.2%
<b>Subtotal – Component 1</b>		<b>64,000</b>		<b>102,000</b>	<b>166,000</b>	<b>2.9%</b>
<b>Component 2: Capacity-building and production of training materials</b>						
2.1	Development of instructional materials	100,000		165,000	265,000	4.7%
2.1.a	Analysis of territorial context	25,000		50,000	75,000	1.3%
2.1.b.1	Preliminary analysis of instructional materials and adaptation	50,000		25,000	75,000	1.3%
2.1.c	Development of case studies	25,000		75,000	100,000	1.8%
2.2	Update of course content for distance education	80,000			80,000	1.4%
2.3	Basic training course in LED (high-level officials)	80,000		127,500	207,500	3.6%
2.4	Creation of a network of senior specialists	37,800			37,800	0.7%
2.5	Training of trainers	93,600		287,800	381,400	6.7%
2.6	Analysis of experiences and feedback from methodological inputs	23,400		66,600	90,000	1.6%
2.6.1	Midterm workshop	11,700		33,300	45,000	0.8%
2.6.2	Final workshop	11,700		33,300	45,000	0.8%
DT	Technical director (part-time)	184,000			184,000	3.2%
DT	Travel and per diem – technical director	16,000			16,000	0.3%
<b>Subtotal – Component 2</b>		<b>614,800</b>		<b>646,900</b>	<b>1,261,700</b>	<b>22.2%</b>
<b>Component 3: Training for program operators and policymakers</b>						
3.1	Selection of beneficiaries (cost in component 1)					
3.2	LED courses	382,800		170,400	553,200	9.7%
3.2.a	Lessons on LED approach (30 hours)	58,800		26,400	85,200	1.5%
3.2.b	Presentation of case studies and projects (40 hours)	74,400		26,400	100,800	1.8%
3.2.c	Projects and final reports (20 hours)	43,200		26,400	69,600	1.2%
3.2.d	Distance activity (three months)	80,400			80,400	1.4%
3.2.e	Workshop to present final projects (30 hours)	58,800		26,400	85,200	1.5%

	Category	MIF	UNIDO	Local partner	Total	%
3.2.f	Participation of best students in advanced external courses	67,200		64,800	132,000	2.3%
3.3	Mentoring and support for graduates (fees)	120,000			120,000	2.1%
ATR	Regional technical advisor (in Latin America and the Caribbean)	80,000			80,000	1.4%
ATR	Travel and per diem – regional technical advisor	40,000			40,000	0.7%
<b>Subtotal – Component 3</b>		<b>622,800</b>		<b>170,400</b>	<b>793,200</b>	<b>13,9%</b>
<b>Component 4: Selection and implementation of the best project proposals prepared by beneficiaries</b>						
4.1	Establishment of a facility for projects	912,000	800,000		1,712,000	30.1%
4.1.a	Project financing	800,000	800,000		1,600,000	28.1%
4.1.b	Project administration	98,000			98,000	1.7%
4.1.c	Definition of project financing conditions and selection criteria	5,000			5,000	0.1%
4.1.d	Travel and per diem to participate in the Selection Committee	9,000			9,000	0.2%
4.2	Selection of projects to receive financing	40,000			40,000	0.7%
4.2.a	Analysis of proposals and selection	30,000			30,000	0.5%
4.2.b	Signing of agreements with successful applicants	10,000			10,000	0.2%
4.3	Mentoring in support of selected projects	90,000			90,000	1.6%
ATR	Regional technical advisor (in Latin America and the Caribbean)	80,000			80,000	1.4%
ATR	Travel and per diem – regional technical advisor	40,000			40,000	0.7%
<b>Subtotal – Component 4</b>		<b>1,162,000</b>	<b>800,000</b>		<b>1,962,000</b>	<b>34,5%</b>
<b>Component 5: Knowledge management and expansion of the program to other Latin American countries</b>						
5.1	Documentation and dissemination of lessons learned	20,000	30,000		50,000	0.9%
5.2	Action-oriented research		50,000		50,000	0.9%
5.3	Pilot activities to replicate the program: expansion to other countries	12,000	256,775		268,775	4.7%
5.3.a	Informational/promotional workshops		45,000		45,000	0.8%
5.3.b	Trainer training course (first stage)	6,000	48,100		54,100	1.0%
5.3.c	Trainer training course (distance support)	6,000	29,250		35,250	0.6%
5.3.d	Trainer training course (second stage)		54,100		54,100	1.0%
5.3.e	Training course for high-level officials		80,325		80,325	1.4%
<b>Subtotal – Component 5</b>		<b>32,000</b>	<b>336,775</b>		<b>368,775</b>	<b>6,5%</b>
<b>Component 6: Monitoring, dissemination of results, and program sustainability</b>						
6.1	Implementation of monitoring and evaluation system	34,000		22,000	56,000	1.0%
6.2	Events to disseminate results and lessons learned	45,000		45,000	90,000	1.6%
<b>Subtotal – Component 6</b>		<b>79,000</b>		<b>67,000</b>	<b>146,000</b>	<b>2,6%</b>

	Category	MIF	UNIDO	Local partner	Total	%
<b>Program coordination</b>						
DT	Technical director (part-time)	184,000			184,000	3.2%
DT	Travel and per diem – technical director	80,000			80,000	1.4%
G	Administrative/accounting support	192,000			192,000	3.4%
	Local partner agency coordinators			302,400	302,400	5.3%
	Travel and per diem – local partner agency coordinators	46,000		50,000	96,000	1.7%
	Administrative/account support for local partner agencies	81,000			81,000	1.4%
<b>Subtotal – Coordination</b>		<b>583,000</b>		<b>412,400</b>	<b>995,400</b>	<b>17,5%</b>
<b>SUBTOTAL</b>		<b>3,157,600</b>	<b>1,136,775</b>	<b>1,398,700</b>	<b>5,693,075</b>	<b>100%</b>
<b>Percentage</b>		<b>55%</b>	<b>45%</b>			
	Midterm and final evaluations	40,000			40,000	
	Audits	30,000			30,000	
	Contingencies	105,650	13,225	21,300	140,175	
	MIF impact evaluation account	16,750			16,750	
<b>TOTAL</b>		<b>3,350,000</b>	<b>1,150,000</b>	<b>1,420,000</b>	<b>5,920,000</b>	
<b>Percentage</b>		<b>57%</b>	<b>43%</b>			