

TECHNICAL COOPERATION ABSTRACT (TC-ABSTRACT)

REGIONAL

I. BACKGROUND

Country: Regional
TC Name: Broadband Training Center sustainability (Phase II)
TC Number: RG-T2600
Team Leader/Members: Antonio Garcia Zaballos (Team Leader, IFD/CMF); Lorena Cano (IFD/CMF); Enrique Iglesias (IFD/CMF); Jeun Inkyung (IFD/CMF); Pilar Jimenez de Arechaga (LEG/SGO); and Cecilia Bernedo (IFD/CMF).
TC Taxonomy: Research and Development (RD)
Authorization TC date: April, 2015
Donors providing funding: Special Program Broadband Services (BBD)
Beneficiary: Nicaragua, Guatemala, Costa Rica, El Salvador, Panamá, Honduras, and the Dominican Republic
Executing agency and contact name: Inter-American Development Bank, IFD/ICS
Antonio Garcia Zaballos (antoniogar@iadb.org)
IDB Funding Requested: US\$250,000
Local counterpart funding: None
Disbursement period: 28 months (24 months execution period)
Required start date: May, 2015
Types of consultants: Firm and individual consultants
Prepared by Unit: Capital Markets and Finance (IFD/CMF)
Unit of disbursement responsibility: IFD/CMF
TC included in country strategy: N/A **TC included in CPD:** N/A
GCI-9 sector priority The current Sector Strategy: "Institutions for Growth and Social Welfare" identifies *improving innovation and productivity* as a major area where the Bank can help the region overcome the challenges that hinder growth and social welfare. To this end, the IDB will work towards strengthening institutions, and has specifically recognized the need to improve policies and governmental action in the Information and Communications Technology (ICT) sector (par.5.21 of the referred to Sector Strategy). Consistent with the Strategy, the Bank has been working in the design and implementation of a Broadband Platform to accelerate the penetration rate and usage of broadband services in the Region.

II. OBJECTIVES AND JUSTIFICATION OF THE TC

- 2.1 Broadband is well known as an enabler for countries in the pursuit of economic and social development since it drives economic growth by contributing to the enhancement of the national competitiveness, to the increase of productivity and efficiency, as well as to job creation. In recent years, the economic impacts of broadband, through its acceleration, penetration, adoption and effective use have brought clear social and economic benefits, which have been substantiated with concrete statistics. According to a study published by

- the Bank¹, in the Latin American and the Caribbean (LAC) Region, it has been observed that an increase of 10% in broadband penetration, on average, has associated an increase of 3.19% in GDP; 2.61% in productivity and a net generation of more than 67,000 jobs.
- 2.2 There are various benefits that broadband might bring to the economy such as: improving the delivery and access to education and training, fostering equality and inclusion of rural or disadvantaged communities, supporting to civil disaster relief, remote medical assistance (known as ‘telemedicine’), increasing competition and social cohesion and interaction.²
- 2.3 However, countries (from now onwards “the countries”) from Central America (Nicaragua, Guatemala, Costa Rica, El Salvador, Panama, Honduras) and the Dominican Republic are not seizing this opportunity to change their social and economic environment due to a low level of broadband penetration: (i) the average fixed broadband penetration in the countries (3.67%) is well below that in and LAC (9.26%) and far below that in the OECD (26.15%)³; and (ii) the average mobile broadband penetration in the countries (17.44%) is below that in LAC (24.32%) and far below that in the OECD (64.58%).
- 2.4 To counteract this reality, the countries have started to develop a wide range of measures to foster the so called “information economy”, which is highly dependent on access to a fast and high quality Internet. An example of these measures are the national broadband plans, a diverse set of initiatives of national governments in LAC developed in recent years by countries including Panama, Honduras, Nicaragua and Costa Rica, whose main objective is to accelerate the deployment and adoption of broadband services.
- 2.5 However, the challenge still remains and touches also creating capacities among public officers who are in charge of developing policies that aim at fostering the broadband ecosystem. Although many government officers in telecommunications agencies in the Region are aware of the significance of broadband for the development of countries, their capability to diagnose problems and to provide appropriate solutions related to the various obstacles in the field is something that is many times insufficient. This is more apparent in the countries in light of the current broadband development status⁴.
- 2.6 For that reason and with the aim of helping the countries create capacities among their public officers dealing with broadband and its applications, the Bank is supporting the countries in developing and operating a training center, “*Centro de Estudios Avanzados*

¹ García-Zaballos, A. / López-Rivas, R.: Governmental control on socio-economic impact of broadband in LAC countries. IDB, 2012.

² Broadband may lead to development of a new model of education and health, through obtaining substantial efficiency improvements in its processes, which could lead to lower costs while enabling disadvantaged areas to have access to better education and health services. McKinsey & Company points out that those SMEs that made intensive use of Internet improved their productivity by 10%, which is reflected in sales and cost savings. Moreover, the consultant concluded that small and medium sized companies that made heavy use of the Internet in business relationships grew twice as fast as those which did not. In addition to the impact of ICT in education, health and productivity/competitiveness of enterprises, there are examples of how ICTs can improve traffic, assist in natural disasters, or monitor certain public services (sewer, electricity, air and maritime transport, etc). Moreover, for the ordinary citizen, the use of ICT services in both their personal lives and in their careers (electronic payment of value added tax, electronic transactions, information search,) helps to reduce the number of transactions needed, increasing productivity and quality of life.

³ Source: Índice de Desarrollo de la Banda Ancha, IDB, 2013

⁴ See document GN-2704 for a more detailed assessment of the status of Latin-American and Central America in terms of broadband penetration, adoption and use.

en Banda Ancha para el Desarrollo” (CEABAD), which was inaugurated in June 2014 (with the participation of representatives from all the countries) and whose headquarters are in Managua. The CEABAD focuses precisely on increasing the capacity of government officials to identify areas that require reforms such as: (i) strategic regulation that drives competition and fosters investment; and (ii) policies that focus not only on access but also on demand. To that goal, the CEABAD is providing the countries with three main products: (i) online training courses (OTCs); (ii) on-site Regional Workshops (RWs); and (iii) On Demand Training Courses (ODTCs) at the requesting country’s facilities.

- 2.7 The Bank’s support to the countries for the CEABAD has materialized in one Technical Cooperation that was approved in 2013 (ATN/OC-14055-RG/ATN/KK-14056-RG) and one in 2014 (RG-T2461). Additionally, the CEABAD has received the financial and technical support from the Republic of Korea and from the government of Nicaragua (in-kind).
- 2.8 These two TCs financed the establishment and initial set-up of the broadband training center, which included among others the following activities: (i) developing 12 courses for the first educational year; (ii) developing and installing the online platform; (iii) organizing a regional workshop; and (iv) developing an action plan for the CEABAD.
- 2.9 **Objectives of the project.** The objective of this TC is to continue supporting the development of broadband and technology skills and capacities among public officers of the countries. To that goal, the TC will finance the activities to ensure timely and proper operations of the CEABAD and also to start executing its sustainability strategy.

III. DESCRIPTION OF ACTIVITIES

- 3.1 **Component 1: Knowledge Creation, Sharing and Training.** This component will support the CEABAD in creating content for ODTCs and in the knowledge sharing and training activities in RWs. The target audience will be mid-to-high level officials from Ministries and Regulatory agencies that either lead or deal with broadband and technology services. RWs will have an audience of about 40 participants per course from the seven beneficiary countries and ODTCs will depend on the specific country’s demand. Therefore, this component will include the following activities:
- 3.2 **Activity 1.1: Organization and execution of two regional workshops (RWs).** This activity will finance the tasks to organize and conduct two on-site RWs at the CEABAD where officials from the countries will be able to deepen on the online course modules available in the platform and also to discuss about new topics and trends in the sector. The workshops will include varied topics such as: IXPs and data centers, mobile applications, women entrepreneurship, development of innovative broadband applications and services, spectrum management and critical infrastructure protection. Additionally, international experts and practitioners will be brought to lead the workshops in an effort to bring best practices from all over the world.
- 3.3 **Activity 1.2: Development of five on demand training courses (ODTCs) in the facilities of the countries requesting the service.** This activity will finance the design, preparation and delivery of specific courses requested by the countries on aspects of key importance for them. In particular, as part of this activity, international experts from all over the world will be brought to the institution requesting the assistance.

- 3.4 **Component 2: Execution of the sustainability program for the CEABAD.** This component will support the CEABAD in executing its sustainability strategy. Therefore, this component will include the following activities:
- 3.5 **Activity 2.1: Development of strategic partnerships with different stakeholders (e.g. academia).** This activity will finance the counterpart resources necessary to build strategic partnerships for the CEABAD that help achieve the sustainability objectives by promoting CEABAD's brand, activities and value added. Example of partnerships: (i) course certifications by universities; and (ii) developing of joint modules with key partners from the private sector. To this goal, the project team will closely collaborate with the Office of Outreach and Partnership (ORP) of the Bank to find the strategic partners and start executing specific actions towards the sustainability of CEABAD.
- 3.6 **Activity 2.2: Development of content that showcases CEABAD's progress and operations.** This activity will finance the development of a flagship publication and an annual report with the goal of strengthening CEABAD's brand and positioning in the Region and attracting potential partners. The flagship publication will be done in a topic of interest for the countries. The annual report will present the yearly results and the major findings and achievements obtained during the RWs, ODTs and any other activities.
- 3.7 **Component 3: Support to the operations of the training center.** This component will support the CEABAD in continuing their operations. More specifically, it will finance the continuation of the work done by the consultants (CEABAD's Director and Program Manager) who are already involved in these activities with the goal of assuring the continuity of their activities while the center becomes sustainable.
- 3.8 **Expected results.** As a result of this project, it is expected that: (i) more content will be available to the countries either via RWs or ODTs; (ii) first milestones towards the CEABAD's sustainability are achieved by involving strategic partners; and (iii) the operation of the CEABAD is assured.

Table 3.1: Indicative matrix of the results

Suggested indicator	Measurement Unit	Base-line	Target at the end of the TC
Output Indicators:			
Component 1: Knowledge Creation, Sharing and Training. <ul style="list-style-type: none"> Organization and execution of two regional workshops (RWs). Development of five on demand training courses (ODTCs) in the facilities of the countries requesting the service. 	No. of RWs No of ODTCs	0 0	2 5
Component 2: Execution of the sustainability program for the CEABAD. <ul style="list-style-type: none"> Development of strategic partnerships with different stakeholders with specific contributions and counterpart resources. Development of content that showcases CEABAD's progress and operations. 	No. of strategic partnerships No. of documents	0 0	3 2
Component 3: Support to the operations of the training center. <ul style="list-style-type: none"> Number of consultants (CEABAD Director and Program manager) directly involved in the execution of the project. 	No. of persons working	0	2
Outcome Indicators:			
Increased government awareness and understanding of the current status of broadband in the country, additional related action to accelerate the penetration, adoption and use of broadband services, and better understanding on how broadband could be a catalyzer for regional integration.	No. of public officials trained	0	80

Table 3.2: Budget of reference (US\$)

Components	Description	IDB	Total
Component 1: Knowledge Creation, Sharing and Training.	Support the CEABAD in creating content for on demand training courses and in the knowledge sharing and training activities in regional workshops.	125,000	150,000
Component 2: Execution of the sustainability program for the CEABAD.	Support the CEABAD in executing its sustainability strategy.	50,000	50,000
Component 3: Support to the operations of the training center.	support the CEABAD in continuing their operations.	75,000	75,000
Total		250,000	250,000

IV. EXECUTING AGENCY AND EXECUTING STRUCTURE

- 4.1 Considering the project is at a regional level and needs extensive partnership with international organizations, academic institutions and private firms, the executing agency will be the IFD/CMF, which will operate in coordination with the government of the host country (Nicaragua) and the rest of the beneficiary countries.

V. PROJECT RISKS

- 5.1 This project entails two risks that could potentially affect the impact and quality of the training and the sustainability of the Center: (i) how to effectively collect and address each country's demands and interests, and accurately reflect them into the training courses; (ii) how to make the training center sustainable after the three-year commitment from the IDB and Korean government.
- 5.2 The first risk will be mitigated by country centric approach in developing and designing the courses and contents, meaning that the content will be developed in accordance to the needs of the countries. The second risk will be mitigated by coordinating with ORP to reach out strategic partners interested in contributing to CEABAD with financial and in kind resources that contribute to the sustainability of the training center.

VI. EXCEPTIONS TO THE POLICY OF THE BANK

- 6.1 There are no exceptions to the policies of the Bank.

VII. ENVIRONMENTAL STRATEGY

- 7.1 Given the nature of this TC there are no social or environmental risks associated with it. This operation is classified as a Category "C" according to the classification toolkit of the Bank (see the link: [IDBDocs#39411563](#)).