

TECHNICAL COOPERATION (TC) ABSTRACT

I. BASIC INFORMATION

Country/Region:	Costa Rica
TC Name:	Technical Support to the Ministry of the Presidency (Center of Government)
TC Number:	CR-T1135
Team Leader/Members:	Beatriz Abizanda, team leader (IFD/ICS); Mariano Lafuente (IFD/ICS); Florencia Cabral (IFD/ICS)
Type:	Client Support
TC Request:	IDBDOCS-#39452593
Date of TC Abstract:	March 4, 2015
Beneficiaries:	Ministry of the Presidency
Executing Agency and Contact Name:	ICS/CCR Beatriz Abizanda
IDB financing requested:	US\$500.000
Local Counterpart Funding, if any	N/A
Disbursement period:	24 months
Required start date:	May 15, 2015
Types of consultants::	Individual, national and international consultants.
Unit responsible for preparation:	IFD/ICS
Unit of Disbursement Responsibility:	ICS/CCR
Included in country strategy:	N/A
GCI-9 Sector Priority:	Institutions for growth and social welfare

II. OBJECTIVES AND JUSTIFICATION

- 2.1 In a context of cross-sectoral goals, a 24 hour news cycle which diverts the attention of policy makers and more demanding citizens, the Center of Government (CoG) institutions are crucial. These institutions –which report to the head of the Executive such as the Ministries of the Presidency– oversee the government’s top priorities with a whole-of-government perspective and are in charge of key functions: (i) strategic management (aligning the government’s plan and the budget); (ii) policy coordination; (iii) monitoring and improving government performance; (iv) accountability and communication of results; and (v) political management of government priorities.¹ Through a subsidiary and constructive approach, they are supposed to focus on the top priorities and support and oversee the line ministries which actually deliver them.
- 2.2 The Government of Costa Rica (GoCR), through its National Development Plan, has identified three main pillars for the period 2014-2018: (1) Promote economic growth with more and better jobs; (2) Reduce poverty and extreme poverty, and diminish income inequality; and (3) Promote a more effective, efficient and transparent state, and fight corruption.² Progress will be measured through these and other quantitative indicators reported by institutions (some of them autonomous or independent from the central government, such as the National Statistics Office, the Central Bank and Transparency International, among others).³

¹ Source: Alessandro M., Lafuente, M. and C. Santiso (2014), “[Governing to Deliver: Reinventing the Center of Government in Latin America and the Caribbean](#)”, Inter-American Development Bank, Washington, DC.

² Available [here](#).

³ Some of the priority targets derived from the pillar are: (i) increase economic growth from 3,5% in 2013 to 6% in 2018; (ii) generate 217,000 new and better quality jobs during the period; (iii) reduce families in extreme poverty from 94,810 households to 42,000 households; and (iv) improve the score in the Transparency International corruption perception index from 53 (2013) to 66,5 (2018), among other.

- 2.3 Despite this ambitious plan, the government lacks a CoG management model that integrates the key technical CoG functions⁴. Additionally, the Ministry of the Presidency, whose mandate is to provide support to the Chief of State in the four key CoG functions lags behind in the necessary skills and capacity to fulfill these tasks. Some of the main challenges per function are:
- a. *Strategic Management*: While there is a government-wide, high level, national development plan, the planning of priority projects and programs has not been completely fleshed out. This detailed planning should include aspects such as: (i) milestones with the responsible party and deadline to complete them; (ii) detailed resources, with timing of commitments and disbursements; (iii) legal requirements; (iv) identification of potential risks and mitigation measures; and (v) political economy aspects of each priority program or project.
 - b. *Coordination*: There is a lack of effective coordination mechanisms with the institutions that contribute to each priority, such as the environmental agency for all public works. Also, while the government has presidential councils for coordination and to provide support to presidential decision making in five areas (economics, social policy, environmental, citizen security and competitiveness) , in practice, they miss the opportunity to serve as a decision-making instances and are not aligned to the Administration's three development pillars.
 - c. *Monitoring and Improving Performance*: No centralized tracking by the CoG of the government's key priorities exist. In addition, no team in the CoG supports line ministries by unblocking obstacles to facilitate the delivery of their priorities. Addressing the weak capacity detailed under point (a) is a prerequisite to exercising this function.
- 2.4 To this end, the GoCR has requested the assistance of the IDB to strengthen the technical capacity of the Ministry of the Presidency to exercise the CoG functions. This support has started with two technical workshops held in January and 2015, which included the participation of the government's top level authorities and international experts from the IDB's CoG team (RG-T2258). During these working sessions, the government defined a detailed strategic road map with specific steps to strengthen the CoG functions, which guides the design of this TC.
- 2.5 **Objective.** This TC project seeks to enhance the management capacity of the Ministry of the Presidency as the key Center of Government institution in charge of overseeing the top development priorities for the period 2014-2018. In particular, it will seek to strengthen the functions of (i) strategic planning; (ii) coordination; and (iii) monitoring and improving performance.

III. DESCRIPTION OF ACTIVITIES/COMPONENTS AND BUDGET

- 3.1 **Component 1. Strategic Management.** This component will support the implementation of a detailed planning exercise for each of the government's top priority programs and projects within the three pillars (including programs and strategic public works contributing to economic growth). The component would finance technical assistance from former CoG practitioners and other international experts, as well as from local experts and policy analysts.
- 3.2 **Component 2. Coordination, Monitoring and Improvement of Government Performance.** This component would finance the support of a team of public managers and policy analysts focused full time on unblocking obstacles for the delivery of the government's top development priorities. It would also finance the design and pilot implementation of effective coordination mechanisms for cross-sectoral strategic priority goals.

⁴ The function of political management of government priorities, while one of the five key CoG functions in the conceptual framework, is excluded from this technical cooperation given the Bank's comparative advantage in the technical functions.

- 3.3 **Lessons learned.** The activities in both components would build on the lessons learned from the Delivery Units and management models implemented in the UK (2001-2015), US (2010-2015), Chile (2010-2014) and the State of Pernambuco in Brazil (2007-2015), and from two experiences being implemented in Paraguay (2013-2015) and Honduras (2014-2015) with IDB support, among other relevant cases which could also include other advanced OECD countries as Korea.

IV. COST AND FINANCING

- 4.1 The estimated budget is US\$ 550,000. The expected Bank's contribution is US\$ 500,000, which will finance local and international consultants. The Government's contribution will be in-kind and will include office space and staff time, as per Table 1.

Table 1. Cost and Financing (US\$)

COMPONENT	IDB	LOCAL	TOTAL
Component 1. Strategic Management	100,000	10,000	110,000
Component 2. Coordination, Monitoring and Improvement of government performance	400,000	40,000	440,000
Total	500,000	50,000	550,000

V. EXECUTING AGENCY AND EXECUTING STRUCTURE

- 5.1 The GoCR has requested that the TC is executed by the IDB, through its country office in Costa Rica. The Ministry is proactively assuming the core CoG functions of strategic management, coordination and monitoring and improvement of government performance with a relatively weak capacity, which would prevent it from devoting time and resources to the administrative tasks required by this TC and complying with the political and technical deadlines of the government's program. Furthermore, the Ministry of the Presidency is not familiar with the execution of this type of operations. All selection and hiring processes, as well as the products to be delivered by this consultancy, will be reviewed and approved by the Ministry through the technical counterpart designed for this task.

VI. RISKS

- 6.1 The main risks associated with this TC are: (i) the new model may generate overlaps with other central institutions, leading to inefficiencies and inconsistencies; and (ii) the CoG may appear as a centralized micro-management intervention to line ministries, undermining their autonomy and therefore their cooperation. These risks will be mitigated by: (i) the participation of the ministries of Finance and Planning in key activities, in particular in the strategic management function through the existing weekly meeting among these ministries with the ministry of the Presidency; and (ii) a solid internal communications strategy on the role of the CoG led by the President.

VII. EXCEPTIONS TO BANK POLICIES

- 7.1 None.

VIII. ENVIRONMENTAL AND SOCIAL CLASSIFICATION

- 8.1 According to the Environment and Safeguards Compliance Policy (OP-703), the TC has been classified as category C. No potential negative environmental and/or social impacts of the TC were identified and therefore no mitigation strategy is required to address any impact. See [IDBDOCS-#39452542](#) and [IDBDOCS-#39452540](#).